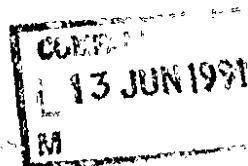


SPECIALIST VEHICLES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1991



Company Number: 970239

SPECIALIST VEHICLES LIMITEDDIRECTORS' REPORTFOR THE YEAR ENDED 31 JANUARY 1991

The directors submit their report and audited financial statements for the year ended 31 January 1991.

RESULTS AND DIVIDENDS

The profit for the year after taxation and extraordinary items, transferred to reserves, amounted to £1,924,916 (1990 - £6,388,163). The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activity of the company continues to be the manufacture of specialist vehicles through its factory sites at Guildford and Warwick.

RESEARCH AND DEVELOPMENT

The company is continually developing all of its major product lines, namely fire appliances, refuse vehicles, and bus and coach chassis.

FIXED ASSETS

The movements in fixed assets are set out in note 7 on page 10 of the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who have served during the year were:

G H Hollyhead	- Chairman
R A Bryson	
S L Burton	
J W Callow	
P B Geary	
P Grove	
R A Heard	Appointed 1 February 1991
E Holt	Appointed 1 August 1990
B E Mealing	
R T Owen	
R M Rawlinson	
N K Thoday	
M J Underhill	
N J Ward	

SPECIALIST VEHICLES LIMITEDDIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 1991
(continued)

DIRECTORS AND THEIR INTERESTS (continued)

G H Hollyhead, S L Burton, R T Owen and P B Geary are directors of Trinity Holdings Limited, the ultimate holding company and their interests are disclosed in that company's financial statements. The beneficial and only interests of the remaining directors and their families in the shares and debentures of any company in the Trinity Group requiring disclosure in these financial statements were as follows:

	Number of ordinary shares in Trinity Holdings Limited	
	31 January 1991	31 January 1990
R A Bryson	1,497	1,497
R A Heard	900	-
R M Rawlinson	1,497	1,497
N Ward	2,993	2,993
J W Callow	1,497	1,497
P Grove	998	998
E Holt	1,497	-
B E Mealing	2,993	2,993
N K Thoday	998	998
M J Underhill	1,497	1,497

No director had any interest during the year in any contract with the company or other group companies other than a contract of service.

DISABLED EMPLOYEES

The company gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately performed by a handicapped or disabled person. With regard to existing disabled employees and those who have become disabled during the year, the company has continued to examine ways and means of providing continuing employment under normal terms and conditions and provides training and career development and promotions wherever appropriate.


EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued and employees have also been encouraged to present their suggestions and views on the company's performance.

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution proposing that BDO Binder Hamlyn be re-appointed auditors of the company will be put to the Annual General Meeting.

Approved by the Board

 S L BURTON
Director

30 April 1991

SPECIALIST VEHICLES LIMITED

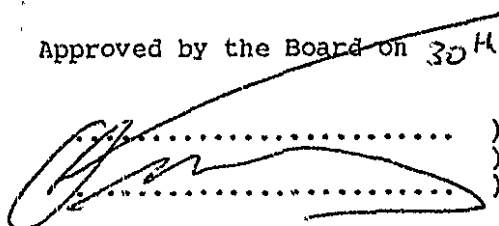
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 1991

	Notes	1991 £'000	1990 £'000
TURNOVER	2	56,802	53,369
Cost of sales		(46,255)	(36,619)
GROSS PROFIT		20,547	16,750
Distribution costs		(4,868)	(3,712)
Administrative expenses		(11,064)	(8,847)
Interest payable and similar charges	3	(2,133)	(1,695)
Other operating income		-	-
Exceptional item		-	(250)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	2,482	2,246
Tax on profit on ordinary activities	5	(480)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,002	2,246
Extraordinary items	6	(77)	4,142
RETAINED PROFIT FOR THE YEAR	15	1,925	6,388

SPECIALIST VEHICLES LIMITEDBALANCE SHEETAS AT 31 JANUARY 1991

	Notes	1991 £'000	1990 £'000
FIXED ASSETS			
Tangible assets	7	12,610	2,466
Investments	8	20	20
		<hr/>	<hr/>
		12,630	2,486
CURRENT ASSETS			
Stocks	9	14,587	11,792
Debtors	10	20,392	17,526
Cash at bank and in hand		-	3,752
		<hr/>	<hr/>
		34,979	33,070
CREDITORS (Amounts falling due within one year)	11	(28,320)	(17,150)
		<hr/>	<hr/>
NET CURRENT ASSETS		6,659	15,920
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,289	18,406
CREDITORS (Amounts falling due after more than one year)	12	(7,301)	(8,343)
		<hr/>	<hr/>
		11,988	10,063
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	14	-	-
Share premium account	15	1,200	1,200
Revaluation reserve	15	470	470
Profit and loss account	15	10,318	8,393
		<hr/>	<hr/>
		11,988	10,063
		<hr/>	<hr/>

Approved by the Board on 30th APRIL 1991

) Directors

SPECIALIST VEHICLES LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 JANUARY 1991

SOURCE OF FUNDS	1991 £'000	1990 £'000
Profit on ordinary activities before taxation	2,482	2,246
Extraordinary (loss)/profit	(147)	4,142
	<hr/>	<hr/>
Adjustments for items not involving the movement of funds:	2,335	6,388
Depreciation	691	652
Loss/(profit) on disposal of tangible fixed assets	139	(4,164)
	<hr/>	<hr/>
Total generated from operations	3,165	2,876
 FUNDS FROM OTHER SOURCES		
Proceeds from disposal of tangible fixed assets	542	6,720
	<hr/>	<hr/>
TOTAL FUNDS GENERATED	3,707	9,596
 APPLICATION OF FUNDS		
Purchase of tangible fixed assets	(11,516)	(449)
Repayments of secured loan	(2,500)	(5,300)
	<hr/>	<hr/>
NET (APPLICATION)/SOURCE OF FUNDS	(10,309)	3,847
	<hr/>	<hr/>
 MOVEMENT IN WORKING CAPITAL		
Stocks	2,795	1,016
Debtors	2,866	1,284
Creditors	(1,117)	(2,202)
	<hr/>	<hr/>
	4,544	98
 MOVEMENT IN NET LIQUID FUNDS		
Cash at bank and in hand	(14,853)	3,749
	<hr/>	<hr/>
	(10,309)	3,847
	<hr/>	<hr/>

9.

SPECIALIST VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 1991

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention, with the exception of certain properties stated at a valuation.

Turnover

Turnover represents the invoice amount of goods sold and services provided, exclusive of value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation except in the case of freehold property stated at a valuation. Depreciation is calculated to write off the cost or valuation of assets, except freehold land, over their anticipated useful lives, in equal annual instalments.

Freehold buildings	-	40 years
Plant and machinery	-	8 - 10 years
Fixtures and fittings	-	10 years
Vehicles	-	4 years
Computer equipment	-	5 years

On the sale of a previously revalued asset, the profit or loss on disposal is calculated as the difference between the sale proceeds and the depreciated original cost. At the same time the attributable revaluation surplus is transferred from the Revaluation Reserve to Profit and Loss Account.

Stocks

Stocks and work-in-progress are stated at the lower of cost, arrived at on a first-in, first-out basis, and net realisable value. Cost in this context includes all direct expenditure incurred in the normal course of business to bring items to their conditions and locations at the accounting date, together with a proportion of appropriate overhead expenditure attributable thereto. The basis of valuation is consistent with that of the previous year.

Deferred taxation

Provision is made for deferred taxation only to the extent that, in the opinion of the directors, a liability is expected to arise in the foreseeable future. No provision is made for the taxation liability which might arise on the gain that would be realised if the revalued property was disposed of at the amount shown in the balance sheet.

Leased assets

Assets purchased under finance leases have been capitalised. Interest is charged to profit so as to produce a constant periodic rate of charge on the remaining balance of the lease for each accounting period. Operating leases payments are charged to the profit and loss account as they fall due.

Rentals paid under leasing contracts are charged to income as incurred.

SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JANUARY 1991

(continued)

1. ACCOUNTING POLICIES (continued)

Development expenditure

Development expenditure is capitalised and amortised over a maximum of the first three years' sales of major products whose technical feasibility and commercial viability are reasonably assured. Expenditure on pure research is written off in the year during which it is incurred. At 31 January 1991 no development expenditure was capitalised.

Translation of foreign currencies

Profits and losses on exchange arising in the normal course of business are dealt with in the profit and loss account. Assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Pensions

The company is a subsidiary of Trinity Holdings Limited, which operates a pension scheme for all monthly paid employees and a lump sum benefit scheme for all hourly paid employees. The schemes are funded by contributions to separate trustee administered funds. Pension costs, including the amortisation of actuarial surpluses and deficiencies, are charged to the profit and loss account over the expected average remaining service lives of employees.

2. TURNOVER

	1991 £'000	1990 £'000
Analysis of turnover by geographical market		
United Kingdom	50,920	43,157
Europe	2,121	2,203
Middle East and Africa	539	325
Far East and Australasia	13,192	7,634
The Americas	30	50
	<hr/> 66,802	<hr/> 53,369

3. INTEREST PAYABLE

Loans wholly repayable within 5 years	2,079	1,653
Interest charges or finance leases	54	42
	<hr/> 2,133	<hr/> 1,695

SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JANUARY 1991
(continued)

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1991 £'000	1990 £'000
Is stated after charging:		
Directors' emoluments (note 17)	294	294
Depreciation (note 7)	691	652
Hire of plant and machinery	43	28
Operating lease payments - land and buildings	931	346
Auditors' remuneration	28	23
Exceptional items - bad debt provision	-	250
	<hr/>	<hr/>

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax at 34.16%	480	-
	<hr/>	<hr/>

No provision has been made for deferred taxation. The full potential liability is as follows:

Accelerated capital allowances	350	442
Short-term timing differences	5	(32)
	<hr/>	<hr/>
	355	410
	<hr/>	<hr/>

No deferred tax has been provided as accelerated capital allowances will continue to arise in the foreseeable future.

6. EXTRAORDINARY ITEMS

Profit on sale and leaseback of property	-	4,142
Reorganisation costs	(147)	-
	<hr/>	<hr/>
	(147)	4,142
less: taxation thereon	70	-
	<hr/>	<hr/>
	(77)	4,142
	<hr/>	<hr/>

SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JANUARY 1991
(continued)

7. TANGIBLE FIXED ASSETS

	Freehold Land and buildings £'000	Plant and equipment £'000	Leased plant and equipment £'000	Total £'000
Cost or valuation				
At 1 February 1990	624	3,750	870	5,244
Additions	9,310	1,312	816	11,438
Disposals	-	(1,243)	-	(1,243)
Inter-group transfer	-	548	-	548
At 31 January 1991	9,934	4,367	1,686	15,987
Depreciation				
At 1 February 1990	-	2,213	565	2,778
Charge for the year	33	438	220	691
Disposals	-	(562)	-	(562)
Inter-group transfer	-	470	-	470
At 31 January 1991	33	2,559	785	3,377
Net Book Value				
At 31 January 1991	9,901	1,808	901	12,610
At 31 January 1990	624	1,537	305	2,466

The value of freehold land at 31 January 1991 was £4,668,000 (1990 - £624,000) on which no depreciation is charged.

Land and buildings included at a valuation at 31 January 1990 comprised:-

	1991 £'000	1990 £'000
Valuation	624	624
Aggregate depreciation	-	-
	624	624

SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JANUARY 1991
(continued)

7. TANGIBLE FIXED ASSETS (Continued)

Land and buildings included at a valuation at 31 January 1991 would have been included on an historical costs basis at:

	1991 £'000	1990 £'000
Cost	154	154
Aggregate depreciation	-	-
	<hr/>	<hr/>
Net book value at 31 January 1991	154	154
	<hr/>	<hr/>
Capital commitments		
Contracted for but not provided	183	9,323
Authorised but not contracted for	56	499
	<hr/>	<hr/>
	239	9,822
	<hr/>	<hr/>

8. FIXED ASSET INVESTMENTS

These comprise shares in group companies at costs: £'000

At 1 February 1990 and 31 January 1991 20

Group financial statements have not been prepared for the company as it is a wholly owned subsidiary of another body corporate incorporated in Great Britain.

In the opinion of the directors, the value of the company's interest in its subsidiaries is not less than the amount at which they are stated in the balance sheet.

The subsidiaries, wholly owned and incorporated in England, are Dennis Export Limited and Dennis Eagle Limited both of which did not trade.

9. STOCKS

	1991 £'000	1990 £'000
Raw materials and consumables	8,792	6,548
Work in progress	2,567	2,845
Finished goods and goods for resale	3,596	2,564
Payments on account	(368)	(165)
	<hr/>	<hr/>
	14,587	11,792
	<hr/>	<hr/>

SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JANUARY 1991
(continued)

10. DEBTORS	1991 £'000	1990 £'000
Trade debtors	7,825	11,833
Amounts owed by group companies	12,268	5,336
Other debtors	30	47
Prepayments and accrued income	269	310
	<hr/>	<hr/>
	20,392	17,526
	<hr/>	<hr/>
11. CREDITORS (Amounts falling due within one year)		
Secured loan	1,500	2,500
Bank overdraft	11,101	-
Payments received on account	-	25
Trade creditors	11,289	10,266
Bills payable	538	547
Amounts owed to group companies	1,071	1,237
Other creditors	558	686
Corporation tax	410	-
Taxes and social security costs	880	1,145
Accruals and deferred income	657	584
Obligations under finance leases (note 13)	316	160
	<hr/>	<hr/>
	28,320	17,150
	<hr/>	<hr/>
12. CREDITORS (Amounts falling due after more than one year)		
Secured loan	6,700	8,200
Obligations under finance leases (note 13)	601	143
	<hr/>	<hr/>
	7,301	8,343
	<hr/>	<hr/>

The loan which bears interest at variable annual rates, is secured by means of both fixed and floating charges over the assets of the company together with cross guarantees given by fellow subsidiaries. The loan repayment dates are as follows:

Repayable in one year or less	1,500	2,500
Repayable between one and two years	3,500	1,500
Repayable between two and five years	3,200	6,700
	<hr/>	<hr/>
	8,200	10,700
	<hr/>	<hr/>

SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JANUARY 1991
(continued)

13. FINANCE AND OPERATING LEASES

Obligations under finance leases fall due for payment as follows:

	1991 £'000	1990 £'000
Within one year	404	199
Between two and five years	791	185
	<hr/>	<hr/>
Less:	1,195	384
Finance charges allocated to future years	278	81
	<hr/>	<hr/>
	917	303
	<hr/>	<hr/>
Falling due within one year	316	160
Falling due after one year	601	143
	<hr/>	<hr/>
	917	303
	<hr/>	<hr/>

The payments under operating leases which are due to be made in the next financial year, analysed over the period when the leases expire, are as follows:

Expiring in that year	-	17
Expiring in two to five years	59	40
Expiring after five years	717	867
	<hr/>	<hr/>
	776	924
	<hr/>	<hr/>

14. CALLED UP SHARE CAPITAL

	1991 £	1990 £
Authorised, issued and fully paid: 200 Ordinary shares of £1 each	£200	£200
	<hr/>	<hr/>

15. RESERVES

	Share Premium account £'000	Re- valuation reserve £'000	Profit and loss account £'000
At 1 February 1990	1,200	470	8,393
Retained profit for the year	-	-	1,925
	<hr/>	<hr/>	<hr/>
At 31 January 1991	1,200	470	10,318
	<hr/>	<hr/>	<hr/>

SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JANUARY 1991
(continued)

16. CONTINGENT LIABILITIES

- i. The company has given guarantees and a fixed and floating charge over its undertaking to secure advances to the ultimate holding company and fellow subsidiaries totalling £11,902,000 at 31 January 1991 (1990: £8,643,000).

The company has given, in the normal course of business, the following guarantees in respect of:

	1991 £'000	1990 £'000
Forward exchange contracts	748	1,669
Acceptances and guarantees given by banks	50	1,100
Performance bonds	237	19
Advance payment bonds	-	39
	<hr/>	<hr/>
	1,035	2,827
	<hr/>	<hr/>

- ii. Certain subsidiary companies have entered into arrangements with customers whereby the companies are committed to buy back certain vehicles at a fixed price. It is not expected that these arrangements will give rise to any liability.

17. DIRECTORS' EMOLUMENTS

Directors' emoluments, excluding pension contributions includes amounts paid to:-

Chairman	-	-
Highest paid director	53	59
	<hr/>	<hr/>

Other directors' emoluments, excluding pension contributions, is within the following bands:

	Number	Number
£ 0 - £ 5,000	3	3
£15,001 - £20,000	1	-
£25,001 - £30,000	1	3
£30,001 - £35,000	4	3
£35,001 - £40,000	2	-
£50,001 - £55,000	-	1
	<hr/>	<hr/>

SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JANUARY 1991

(Continued)

18. EMPLOYEES

The average number of persons employed by the company during the year was as follows:

	1991 Number	1990 Number
Manufacturing	452	383
Distribution and selling	129	114
Administration	268	262
	<hr/>	<hr/>
	849	759
	<hr/>	<hr/>

Their total remuneration was:

	£'000	£'000
Wages and salaries	11,535	8,887
Social security costs	1,130	831
Pension costs	154	166
	<hr/>	<hr/>
	12,819	9,884
	<hr/>	<hr/>

19. PENSION COSTS

The company is a subsidiary of Trinity Holdings Limited which operates a pension scheme for all monthly paid employees (Staff Scheme) and a lump sum benefit scheme for all hourly paid employees (Works Scheme). Both schemes are of the defined benefit type, and the assets of both schemes are held in separate trustee administered funds. The cost relating to the schemes is assessed in accordance with the advice of a qualified actuary using the defined accrued benefits method. The latest actuarial assessment of the schemes was at 1 July 1989. The principal assumptions used in the actuarial assessment were that the investment return would be 8.5% per annum, that salary and wage increases would average 6.5% per annum, that dividend growth would be 4% per annum, and that pension increases would be 4% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the Staff Scheme was £6,708,000 which was sufficient to cover 139% of the value of the benefits that had accrued to members. The Works Scheme was in deficit because the market value of its assets of £1,689,000 was insufficient to cover the value of the benefits accrued to members. The surplus in the Staff Scheme has been allocated towards the reduction of employer contributions below the long term rate, whereas the deficit in the Works Scheme is being reduced by an increase in contributions made by the company. The total charge in the profit and loss account, net of interest accrued on the surplus, is £154,000 (1990: £166,000).

20. ULTIMATE HOLDING COMPANY

The ultimate holding company is Trinity Holdings Limited which is incorporated in Great Britain.