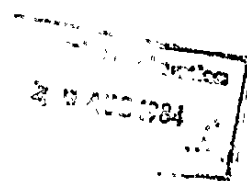


CHARTHIRE SERVICES PLC

MARCH 1984 ACCOUNTS

REGISTRAR'S COPY

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CHARTHIRE SERVICES PLC

DIRECTORS' REPORT

Directors: S.D. Lyon BSc (Chairman)
S.M. Diff MA FCIT (Managing Director)
G. Homer
J.D.T. Greenall
A.J. Murray CA
W. McCreadie BAcc CA (Secretary)

Registered Office: Whitehouse Road
Springkerse Industrial Estate
Stirling

The directors present their report for the year ended 31 March 1984.

ACCOUNTS AND DIVIDENDS

The directors submit the audited accounts for the year ended 31 March 1984. The profit for the year available to shareholders amounts to £264,000 and subject to approval of the proposed ordinary dividend of £34,343 is dealt with as shown in the profit and loss account.

A preference dividend of £92,000, net of advance corporation tax, was paid on 31 December 1983. In addition to the dividend which accrued in the six months to 31 December 1983, this payment eliminated all arrears of dividend which arose in earlier years.

A further £11,500 preference dividend has been provided in the profit and loss account being the preference dividend accruing in the three months to 31 March 1984.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activities of the company consist of the provision of a range of services to the transport and distribution industry throughout the United Kingdom.

On 27 May 1983 the company acquired the whole issued share capital of Cooper London Limited.

CHARTHIRE SERVICES PLC

DIRECTORS' REPORT

SHARE CAPITAL

On 23 May 1983 the authorised ordinary share capital of the company was increased to 4,033,334 ordinary shares of £1 each and 833,334 ordinary shares of £1 each were issued to satisfy part of the consideration payable for Cooper London Limited.

On 21 July 1983 the authorised ordinary share capital was increased to 4,200,000 ordinary shares of £1 each. The increase of 166,666 ordinary shares was intended to facilitate the operation of the Executive Option Scheme and the Employee Share Scheme. Options over 100,000 ordinary shares were granted in the month following 21 July 1983.

FIXED ASSETS

During the period the group acquired new hire vehicles at a cost of £3,664,000. In addition, fixed assets acquired by the group, on the purchase of Cooper London Limited, had a net book value of £1,254,000 on the acquisition date.

DIRECTORS

The directors of the company during the year ended 31 March 1984 were those listed above. W. McCreadie was appointed on 15 September 1983.

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1967, the directors' interests in the share capital of the company are as follows:-

	<u>31 March 1984</u>			<u>31 March 1983</u>		
	Pref	Ord	Ordinary Shares for which subscription rights held (a)	Pref	Ord	Ordinary shares for which subscription rights held (a)
S.D. Lyon	1000	6500	1250	1000	6500	1250
S.M. Duff	2200	10300	27750	2200	10300	750
G. Homer	650	4600	19000	650	4600	1000
J.D.T. Greenall	-	-	-	(b)300	1200(b)	-
A.J. Murray	200	800	-	200	800	-
W. McCreadie	-	500	15250	-	500(c)	15250(c)

CHARTHIRE SERVICES PLC

DIRECTORS' REPORT

DIRECTORS' INTERESTS (Contd...)

- (a) These figures comprise both the right to subscribe for ordinary shares as the result of holding existing ordinary shares with these rights and, options granted under the executive share option scheme.
- (b) Represents 300 preference and 1200 ordinary shares held on a non-beneficial basis.
- (c) At date of appointment.
- (d) No change in any of these interests had been notified to the company by 11th June 1984.

Under the employee share loan scheme, loans to directors were as follows:-

	Maximum balance during the year	Balance at 31 March 1984
	£	£
S.M. Duff	1,509	722
G. Homer	2,042	1,342
W. McCreadie	394	241

Management fees of £1500 and £2,000 were charged respectively by Greig, Middleton & Co., a firm of which J.D.T. Greenall is a partner and by Arnwood Consultants, of which A.J. Murray is a director. In addition, Greig, Middleton & Co. received a fee of £5,000 in connection with the placing of ordinary shares in May 1983.

No other contract or arrangement entered into by the company in which any director is interested has subsisted during the period.

EMPLOYEE INVOLVEMENT

It is a policy of the company to increase employees' understanding of its main objectives and to encourage employees to identify with, and to share in these objectives. In pursuit of this policy the company distributes accounts for employees which are explained to and discussed with them. In addition, an employee share scheme, which has been approved by the Inland Revenue, has been introduced.

CHARTHIRE SERVICES PLC

DIRECTORS' REPORT

DISABLED PERSONS

It is the company's policy to give full consideration to suitable applications for employment from disabled persons.

Opportunities also exist for employees of the company who become disabled to continue in their employment or to be trained for other positions within the company.

CLOSE COMPANY PROVISIONS

The company is not a close company within the meaning of the Income and Corporation Taxes Act 1970.

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 14 of the Companies Act 1976 a resolution proposing their reappointment will be submitted to the annual general meeting.

By order of the Board



Secretary

11th June 1984

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of Charthire Services PLC set out on pages 6 to 16. These have been prepared under the historical cost convention. Our audit has been carried out in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group, so far as concerns members of the company, at 31 March 1984 and of the profit, changes in retained profits and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

The accounts do not contain the current cost accounts required by Statement of Standard Accounting Practice No. 16.



Chartered Accountants

GLASGOW 11th June 1984

CHARTEIRE SERVICES PLC



CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended 31 March 1984

	Note	1984 <u>£'000</u>	1983 <u>£'000</u>
TURNOVER	2/3	10,584	5,723
External Charges		<u>(4,937)</u>	<u>(2,587)</u>
Staff Costs	4	(2,371)	(1,039)
Depreciation		(2,309)	(1,499)
		<u>(9,617)</u>	<u>(5,125)</u>
NET OPERATING INCOME	6	967	598
Interest Receivable	7	43	8
Interest Payable	8	(440)	(327)
		<u>570</u>	<u>279</u>
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM		570	279
Taxation	9	(56)	(13)
		<u>514</u>	<u>266</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		514	266
Extraordinary Item	10	(250)	-
PROFIT FOR THE FINANCIAL YEAR	11	<u>264</u>	<u>266</u>
Dividends	12	(138)	(23)
RETAINED PROFIT FOR THE YEAR		<u>126</u>	<u>243</u>
EARNINGS PER ORDINARY SHARE	13		
- actual tax charge		14.1p	12.7p
- taxed at a notional charge of 35%		10.3p	8.7p

CONSOLIDATED BALANCE SHEET - 31 MARCH 1984

11th June 1984

BALANCE SHEET - 31 MARCH 1984

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8

CHARTHIRE SERVICES PLC

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31 March 1984

	1984 <u>£'000</u>	1983 <u>£'000</u>
SOURCE OF FUNDS		
FROM OPERATIONS		
Profit before taxation	570	279
Depreciation and amortisation of tangible fixed assets	2,309	1,499
Provision for repairs and maintenance *	150	146
Profit on sale of fixed assets	(55)	(17)
Total generated from operations	<u>2,974</u>	<u>1,907</u>
OTHER SOURCES		
Capital borrowings	3,246	3,262
Net proceeds of issue of shares *	833	1,000
Proceeds of sale of tangible fixed assets	484	150
	<u>7,537</u>	<u>6,319</u>
FUNDS APPLIED		
Purchase of tangible fixed assets *	5,474	3,589
Capital borrowings repaid	2,364	1,488
Dividend paid	115	-
Corporation Tax paid	50	7
Capital Reserve *	(7)	-
	<u>7,996</u>	<u>5,084</u>
(DECREASE)/INCREASE IN WORKING CAPITAL	<u>(459)</u>	<u>1,235</u>
Arising from movements in:		
Stocks *	70	4
Debtors *	1,101	338
Creditors (excluding capital borrowings) *	(592)	89
Investments	(913)	786
Bank balances and cash *	(125)	18
	<u>(459)</u>	<u>1,235</u>

*Analysis/.....

CHARTERHIRE SERVICES PLC

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the year ended 31 March 1984

*Analysis of the acquisition of Cooper London Limited and J. Lomas (Junior) Limited:-

Net assets acquired:	<u>£'000</u>	Discharged by:	<u>£'000</u>
Fixed assets	1,254	Shares issued	833
Stocks	73	Cash paid and payable	204
Debtors	698		
Cash	1		
Creditors	(482)		
Repairs & Maintenance provision	(53)		
Capital reserve	(7)		
Bank overdraft	(447)		
	<hr/>		<hr/>
	1,037		1,037
	<hr/>		<hr/>

CHARTERED SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Basis of Consolidation

The consolidated accounts incorporate the accounts of the company and each of its subsidiaries for the year ended 31 March 1984. The results of subsidiaries acquired during the year are included in the consolidated profit and loss account from the effective date of acquisition.

(c) Depreciation and amortisation

Freehold land is not depreciated. The cost of other fixed assets is written off by equal monthly instalments over their expected useful lives or in the case of leasehold improvements, over the period of the lease.

Freehold buildings	50 years
Leasehold improvements	Period of lease
Hire vehicles	3-7 years
Plant and equipment	3-7 years

Construction in progress and vehicles in progress are not depreciated until commissioned.

(d) Assets financed by lease and hire purchase agreements

Where assets are financed by leasing agreements which give rights similar to ownership (finance leases) or by hire purchase agreements, the assets are treated as though they had been purchased outright and are depreciated in the same manner as owned assets.

The capital element of the payments due under these agreements is recorded as capital borrowings and amortised over the primary period of the lease. Financing costs are written off as incurred.

Credit is taken for lease and hire income on a straight line basis over the period of the lease.

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

1 ACCOUNTING POLICIES (Contd...)

(e) Repairs and maintenance

The cost of repairs and maintenance of each contract hire vehicle, which the company has a responsibility to maintain, is equalised over the effective useful life of the vehicle. This is achieved by providing a proportion of the income earned in the initial period of the vehicle's life and releasing the provision to the profit and loss account over the remaining years.

(f) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items, cost being the invoiced value of goods.

(g) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

(h) Pension benefits

Pension benefits are funded over the employees' periods of service. The company's contributions are based on the most recent actuarial valuation of the fund.

2 TURNOVER

Turnover consists of the value of sales, services and lease rental income exclusive of Value Added Tax.

3 ANALYSIS OF TURNOVER AND PROFITS BETWEEN ACTIVITIES AND MARKETS

The Directors consider that the classes of business in which the group operates do not differ substantially from each other, and that the group supplies only one geographical market.

4 STAFF COSTS

	1984 £'000	1983 £'000
Wages and salaries	2,069	890
Social Security costs	225	92
Other pension costs	77	57
	<u>2,371</u>	<u>1,039</u>

CHAMMERE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

5 EMOLUMENTS OF DIRECTORS

	1984 £	1983 £
Remuneration, including pension contributions	67,848	45,201

The emoluments, excluding pension contribution, of directors of the company are detailed as follows:-

	1984 £	1983 £
Chairman	4,000	540
Highest paid director	29,550	25,717
Other directors in scale	Number of directors	
Not more than £5,000	2	2
£5,001 to £10,000	1	-
£15,001 to £20,000	-	1
£20,001 to £25,000	1	-

6 NET OPERATING INCOME is stated after charging:

	1984	1983
Hire of plant and equipment	20	9
Auditor's remuneration	20	7
Director's remuneration (note 5)	68	45

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

7 INTEREST RECEIVABLE

	1984 £'000	1983 £'000
Interest receivable on short term deposits	<u>43</u>	<u>8</u>

8 INTEREST PAYABLE

	1984 £'000	1983 £'000
Repayable within 5 years:		
Bank overdraft	7	10
Leasing and hire purchase finance	<u>400</u>	<u>300</u>
	407	310
Repayable after 5 years:		
Leasing finance	<u>33</u>	<u>17</u>
	<u>440</u>	<u>327</u>

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge for the year comprises:

	1984 £'000	1983 £'000
Advance Corporation Tax on dividends	58	10
UK Corporation tax at 38% (1983-40%)	-	3
Adjustments in respect of prior years	<u>(2)</u>	<u>-</u>
	<u>56</u>	<u>13</u>

The charge for taxation has been reduced by approximately £177,000 (1983-£130,000) in respect of accelerated capital allowances, capital lease repayments and other timing differences for which no provision for deferred taxation is considered necessary.

CHAMMIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

10 EXTRAORDINARY ITEM

The extraordinary item of £250,000 represents a transfer to deferred taxation in respect of accelerated capital allowances and capital lease repayments, and arises as a result of the changes in the rates of capital allowances proposed by the 1984 Finance (no. 2) Bill. (See note 25).

11 PROFIT FOR THE FINANCIAL YEAR

In accordance with the exemptions allowed by section 149 (5) of the Companies Act 1948 the company has not presented its own profit and loss account. Of the profit for the financial year, £251,000 has been dealt with in the accounts of the company.

12 DIVIDENDS

	<u>1984</u> <u>£'000</u>	<u>1983</u> <u>£'000</u>
Preference dividend - paid	92	-
- payable	12	23
Ordinary dividend - proposed 1.0p per share	34	-
	<hr/>	<hr/>
	138	23
	<hr/>	<hr/>

13 EARNINGS PER ORDINARY SHARE

		<u>1984</u>	<u>1983</u>
Actual tax - basic	(a)	14.1p	12.7p
- fully diluted	(b)	13.4p	-
Taxed at a notional charge of 35% - basic	(c)	10.3p	8.7p
- fully diluted	(c)	9.6p	-

- (a) Based on profit on ordinary activities after taxation and preference dividends for the year but before the extraordinary item, divided by the weighted average number of called up shares in issue during the year. Profit for the purpose of calculating basic earnings per ordinary share was £468,000 (1983 - £220,000). The weighted average number of called up ordinary shares in issue during the year was 3,314,000 (1983- 1,734,000)

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

13 EARNINGS PER ORDINARY SHARE (Contd...)

- (b) Based on profit on ordinary activities after taxation but assuming a full year's interest benefit (at 10.3% per annum before tax) on the proceeds of the exercise of the share options over 600,000 ordinary shares to be issued at 1.05p per share. Assumes all share options exercised, and preference shares converted to ordinary, at the start of the year to give a weighted average of shares of 4,314,000.
- (c) Based on the same figures as stated in (a) and (b) respectively with the exception that a notional tax charge of 35% was applied in lieu of the actual tax charge

14 TANGIBLE FIXED ASSETS

GROUP	Freehold properties £'000	Leasehold improve- ments £'000	Hire vehicles £'000	Plant & machinery £'000	Total £'000
Cost					
At 31 March 1983	486	113	7,929	383	8,911
Subsidiaries acquired	-	69	2,340	112	2,521
Additions during year	376	3	3,664	177	4,220
Cost of disposals	-	-	(1,564)	(16)	(1,580)
At 31 March 1984	862	185	12,369	656	14,072
Depreciation					
At 31 March 1984	20	14	2,463	137	2,634
Subsidiaries acquired	-	34	1,160	73	1,267
Charge for year	7	9	2,180	113	2,309
Relating to disposals	-	-	(1,137)	(14)	(1,151)
At 31 March 1984	27	57	4,666	309	5,059
Net book amount at 31 March 1984	835	128	7,703	347	9,013
Net book amount At 31 March 1983	466	99	5,466	246	6,277

CHARFIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

14 TANGIBLE FIXED ASSETS (Contd...)

The net book amount of GROUP fixed assets at 31 March 1984 comprises:

	Freehold properties	Leasehold improvements
	1984	1983
	£'000	£'000
Land	180	-
Buildings	288	128
Construction in progress	367	-
	<hr/>	<hr/>
	835	99
	<hr/>	<hr/>

	Hire vehicles	Plant and machinery
	1984	1983
	£'000	£'000
Owened/Hire Purchase	2,108	146
Leased	5,532	5,165
Vehicles in progress	63	155
	<hr/>	<hr/>
	7,703	5,466
	<hr/>	<hr/>
		347
		<hr/>
		246

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

14 TANGIBLE FIXED ASSETS (Contd...)

COMPANY	Freehold properties £'000	Leasehold improve- ments £'000	Hire vehicles £'000	Plant & machinery £'000	Total £'000
Cost					
At 31 March 1983	486	113	7,929	383	8,911
Additions during year	376	3	2,885	117	3,381
Cost of disposal	-	-	(1,193)	(9)	(1,202)
At 31 March 1984	862	116	9,621	491	11,090
Depreciation					
At 31 March 1983	20	14	2,463	137	2,634
Charge for year	7	6	1,810	93	1,916
Relating to disposals	-	-	(883)	(8)	(891)
At 31 March 1984	27	20	3,390	222	3,659
Net book amount at 31 March 1984	835	96	6,231	269	7,431
Net book amount at 31 March 1983	466	99	5,466	246	6,277

The net book amount of COMPANY tangible fixed assets at 31 March 1984 comprises:-

	Freehold properties	Leasehold improvements		
	1984	1983	1984	1983
	£'000	£'000	£'000	£'000
Land	180	180	-	-
Buildings	288	286	96	99
Construction in progress	367	-	-	-
	835	466	96	99

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

14 TANGIBLE FIXED ASSETS (contd...)

	<u>Hire vehicles</u>		<u>Plant and machinery</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Owned/Hire Purchase	668	146	193	162
Leased	5,532	5,165	76	84
Vehicles in Progress	31	155	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
	6,231	5,466	269	246
	<hr/>	<hr/>	<hr/>	<hr/>

15 FIXED ASSET INVESTMENTS

	<u>1984</u>	<u>1983</u>
	<u>£'000</u>	<u>£'000</u>
Subsidiary Companies		
Shares at cost	1,037	--
	<hr/>	<hr/>

The principal subsidiary companies which were wholly owned at 31 March 1984 were:-

<u>Company</u>	<u>Country of Incorporation</u>
Cooper London Limited	England
J. Lomas (Junior) Limited	England

The shares in the above companies were acquired on 27 May 1983.

16 STOCKS

Stocks comprise new materials and consumables, being vehicle spare parts and fuel.

The replacement cost of stocks does not significantly exceed the balance sheet value.

CHARTREUSE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

17 DEBTORS

	Group		Company	
	1984 £'000	1983 £'000	1984 £'000	1983 £'000
Due within one year:				
Trade Debtors	1,570	891	1,047	891
Amounts owed by Group Companies	-	-	41	-
Other debtors	453	211	381	211
Prepayments and accrued income	441	256	295	256
Loans to employees to purchase company shares	6	11	6	11
	<u>2,470</u>	<u>1,369</u>	<u>1,770</u>	<u>1,369</u>

18 INVESTMENTS

	Group		Company	
	1984 £'000	1983 £'000	1984 £'000	1983 £'000
Other Investments:				
Short term deposits	-	913	-	913
	<u>-</u>	<u>913</u>	<u>-</u>	<u>913</u>

19 CALLED UP SHARE CAPITAL

	Authorised		Issued and Fully Paid	
	1984 £'000	1983 £'000	1984 £'000	1983 £'000
11.5% Cumulative convertible redeemable preference shares of £1 each	400	400	400	400
Ordinary shares of £1 each	4,200	3,200	3,434	2,600
	<u>4,600</u>	<u>3,600</u>	<u>3,834</u>	<u>3,000</u>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

19 CALLED UP SHARE CAPITAL (contd...)

On 23 May 1983 the authorised ordinary share capital was increased to 4,033,334 ordinary shares of £1 each and 833,334 ordinary shares of £1 each were issued for cash at 105p per share. The premium arising was credited to share premium account.

On 21 July 1983 the authorised ordinary share capital was further increased to 4,200,000 ordinary shares of £1 each.

On 23 March 1984 a further 1,000 ordinary shares were issued for cash at 105p per share. The premium arising was credited to share premium account.

20 SHARE SUBSCRIPTION AND CONVERSION RIGHTS

Holders of 1,000,000 ordinary shares have the right to subscribe for 500,000 ordinary shares at a price of £1.05 per share on 31 July each year until 31 July 1986.

Certain executives have the right to subscribe for a total of 100,000 shares at £1.05 per share between 17 August 1986 and 17 August 1990.

The preference shares are convertible into ordinary shares at par at any time between 1 July and 10 August each year until 10 August 1989. Any shares not so converted shall be redeemed at par by 30 September 1989.

The trustees of the Charthire Services PLC Employee Share Scheme have been allocated £12,500 to subscribe for ordinary shares, at a price to be determined, in the company on behalf of employees participating in the Scheme.

21 SHARE PREMIUM ACCOUNT

	Group and Company
	£'000
At 31 March 1983	1
Premium arising on issue of shares during year	42
	<hr/> 43
Expenses relating to issue of shares and acquisition of subsidiaries	(43)
At 31 March 1984	<hr/> NIL

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

22 OTHER RESERVES

Other reserves comprise non-distributable capital reserves of £7,000 which represent the excess of net tangible assets over the cost of subsidiary companies acquired on 27 May 1983.

23 PROFIT AND LOSS ACCOUNT

	<u>Group</u>	
	<u>1984</u>	<u>1983</u>
	<u>£'000</u>	<u>£'000</u>
Balance at 31 March 1983	24	(219)
Retained profit for the year	126	243
	<u> </u>	<u> </u>
Balance at 31 March 1984	<u>150</u>	<u>24</u>

24 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Group</u>		<u>Company</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Deferred taxation (note 25)	250	-	250	-
Other provisions:-				
Repairs and maintenance	408	258	370	258
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>658</u>	<u>258</u>	<u>620</u>	<u>258</u>

CHARTERED SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

25 DEFERRED TAXATION

Deferred taxation at 31 March 1984 has been provided at 35% (1983-52%) in respect of:

	Group and Company 1984 £'000	1983 £'000
Excess of capital allowances and capital lease repayments over related depreciation (see note 10)	250	-

There is a potential liability in respect of deferred taxation not considered to be payable in the foreseeable future and therefore not provided for in these accounts in respect of:

	Group		Company	
	1984 £'000	1983 £,000	1984 £'000	1983 £'000
Excess of capital allowances and capital lease repayments over related depreciation	969	454	446	454
Other timing differences and taxation losses	(450)	(344)	(327)	(344)
	<u>519</u>	<u>110</u>	<u>119</u>	<u>110</u>
Less: Advance corporation tax	(68)	(10)	(68)	(10)
	<u>451</u>	<u>100</u>	<u>51</u>	<u>100</u>

The amount shown as potential deferred taxation takes account of the Board's intentions to incur capital expenditure in the foreseeable future and assumes that any residual deferred taxation payable will arise when the rate of corporation tax is 35% as proposed by the 1984 Finance (No. 2) Bill, i.e. after 31 March 1986.

CHARTER SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

26 CREDITORS

	Group		Company	
	1984	1983	1984	1983
	£'000	£'000	£'000	£'000
Bank overdraft	149	23	-	23
Current portion of capital borrowings (see note 27)	2,277	1,871	2,101	1,871
Trade creditors	596	319	457	319
Corporation tax	19	13	19	13
Other taxation and Social Security	197	100	105	100
Other creditors	160	53	112	53
Accruals	149	38	81	38
Proposed dividend	46	23	46	23
Amount owed to group companies	-	-	326	-
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts falling due within one year	3,593	2,440	3,247	2,440
Capital borrowings falling due after more than one year (see note 27)	3,412	2,936	2,949	2,936
	<hr/>	<hr/>	<hr/>	<hr/>
	7,005	5,376	6,196	5,376
	<hr/>	<hr/>	<hr/>	<hr/>

27 CAPITAL BORROWINGS

	Group		Company	
	1984	1983	1984	1983
	£'000	£'000	£'000	£'000
Capital borrowings which comprise:				
Amounts borrowed on finance lease and hire purchase agreements	9,781	7,488	9,110	7,488
Amounts repaid	4,092	2,681	4,060	2,681
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1984	5,689	4,807	5,050	4,807
Less: Current portion (see note 26)	2,277	1,871	2,101	1,871
	<hr/>	<hr/>	<hr/>	<hr/>
	3,412	2,936	2,949	2,936
	<hr/>	<hr/>	<hr/>	<hr/>

CHEATHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

27 CAPITAL BORROWINGS (Contd...)

Amounts repayable under finance lease and hire purchase commitments after more than one year are:

Group				Company			
31 March 1984	31 March 1983	31 March 1984	31 March 1983	31 March 1984	31 March 1983	31 March 1984	31 March 1983
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1985-86	1,616	1984-85	1,537	1985-86	1,438	1984-85	1,537
1986-87	1,007	1985-86	805	1986-87	845	1985-86	805
1987-88	502	1986-87	405	1987-88	431	1986-87	405
1988-89	252	1987-88	159	1988-89	200	1987-88	159
1989-90	35	1988-89	30	1989-90	35	1988-89	30
	3,412		2,936		2,949		2,936

28 CAPITAL COMMITMENTS

At 31 March 1984 the directors have authorised future capital expenditure which amounts to:-

	1984	1983
	£'000	£'000
Contracted	427	294
Not Contracted	-	906

29 CONTINGENT LIABILITIES

The company has guaranteed the borrowings of its subsidiary companies incurred under certain lease and hire purchase agreements. At 31 March 1984 these borrowings totalled £639,000.

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1984

30 EMPLOYEES

The average number of employees of the group in each week in the year was 277 and may be analysed as follows:-

	<u>1984</u> <u>Number</u>	<u>1983</u> <u>Number</u>
Vehicle hire and contract distribution	145	51
Workshops	74	45
Administration	58	27
	<u>277</u>	<u>123</u>