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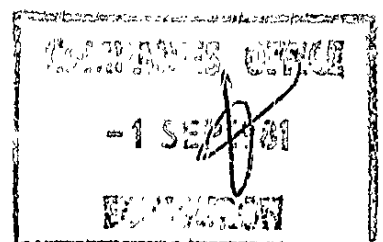
Directors' Report and Accounts

CHARTHIRE SERVICES LIMITED

31 March 1981

Ernst & Whinney

Ernst & Whinney



CHARTHIRE SERVICES LIMITED

NOTICE OF MEETING

Notice is hereby given that the second annual general meeting of Charthire Services Limited will be held at the Central Hotel, Glasgow on Thursday 16 July 1981 at 12.00 a.m. to transact the following business:

- 1 To receive and adopt the directors' report and the audited accounts for the year ended 31 March 1981.
- 2 To re-elect J D T Greenall, the director retiring by rotation under Article 97.
- 3 To re-appoint the auditors.
- 4 To authorise the directors to fix the remuneration of the auditors.

By order of the board

Ch Z Toesdie

Secretary

Whitehouse Road
Stirling

22nd June 1981

NOTES

- 1 Any member of the company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.
- 2 This notice is sent to preference shareholders for information.

DIRECTORS' REPORT

Directors: S D Lyon BSc (Chairman)
 S M Duff MA FCIT (Managing Director)
 J D T Greenall
 C Homer
 A J Murray CA

Secretary: W McCreadie BAcc CA

Registered Office: Whitehouse Road, Springkerse Industrial Estate,
 Stirling.

The directors present their report for the year ended 31 March 1981.

ACCOUNTS AND DIVIDENDS

The directors submit the audited accounts of the company for the year ended March 1981. The loss for the year amounts to £274,336 and is dealt with in the profit and loss account.

The directors propose that no dividend will be paid.

PRINCIPAL ACTIVITIES AND TRADING REVIEW

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

DIRECTORS

The directors of the company during the year ended 31 March 1981 were those listed above and Mr I F Scott who resigned from the board on 30 September 1980.

J D T Greenall is the director retiring by rotation under Article 97. Being eligible he offers himself for re-election.

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:

	31 March 1980		31 March 1981	
	Preference	Ordinary	Preference	Ordinary
S D Lyon	1,000	4,000	1,000	4,000
S M Duff	2,240	8,960	2,200	8,800
G Homer	600	2,400	650	2,600
J D T Greenall	* 2,170	* 8,680	* 2,170	* 8,680
A J Murray	-	-	200	800
I F Scott	2,000	8,000	-	-

*Includes 300 preference and 1,200 ordinary shares held on a non-beneficial basis.

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (Continued)

No change in any of these interests had been notified to the company by
22nd June 1981.

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

EXPORTS

There were no exports from the United Kingdom during the year.

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 at the annual general meeting.

By order of the board

22nd June 1981

Secretary

22nd June 1981

Ernst & Whinney

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of Charthire Services Limited set out on pages 4 to 11. 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 at 31 March 1981 and of the loss, changes in accumulated losses, and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1980.



Glasgow

22 June 1981

CHARTHIRE SERVICES LIMITED

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PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 1981

	Note	1981 £	1980 (13 Months) £
TURNOVER	2	1,895,550	781,331
OPERATING LOSS	3	235,277	173,867
Interest receivable	5	50,044	176,829
		185,233	(2,962)
Interest payable	6	89,103	24,368
LOSS BEFORE TAXATION		274,336	21,406
Taxation	7	-	-
LOSS ATTRIBUTABLE TO MEMBERS		£ 274,336	£ 21,406
STATEMENT OF ACCUMULATED LOSSES			
Balance at 31 March 1980		21,406	-
Loss for year		274,336	21,406
Balance at 31 March 1981		£ 295,742	£ 21,406

Ernst & Whinney

CHARTHIRE SERVICES LIMITED

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BALANCE SHEET - 31 MARCH 1981

	Note	1981 £	1980 £
ASSETS EMPLOYED			
FIXED ASSETS	8	2,877,267	1,881,468
CURRENT ASSETS			
Stocks		62,974	46,806
Debtors		520,595	294,634
Short term deposits		218,000	745,000
Bank balances and cash		775	801
		<u>802,344</u>	<u>1,087,241</u>
CURRENT LIABILITIES			
Creditors		309,466	161,925
Bank overdraft		54,514	35,429
		<u>363,980</u>	<u>197,354</u>
NET CURRENT ASSETS		<u>438,364</u>	<u>889,887</u>
		<u>£3,315,631</u>	<u>£2,771,355</u>
FUNDS EMPLOYED			
SHAREHOLDERS' FUNDS			
Share Capital	9	2,000,000	2,000,000
Share premium account		905	905
Accumulated loss		(295,742)	(21,406)
		<u>1,705,163</u>	<u>1,979,499</u>
CAPITAL BORROWINGS	10	1,610,468	791,856
		<u>£3,315,631</u>	<u>£2,771,355</u>

Stephen
A. Suf

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)
) Directors
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2.2nd June 1981

Ernst & Whinney

CHARTHIRE SERVICES LIMITED

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1981

	1981 £	1980 (13 Months) £
SOURCE OF FUNDS		
FROM OPERATIONS		
Loss before taxation	(274,336)	(21,406)
Depreciation and amortisation	530,507	210,256)
Proceeds from sale of plant and vehicles	21,734	-
Total generated from operations	277,905	188,850
OTHER SOURCES		
Net proceeds of Share issue	-	2,000,905
Capital borrowings	1,201,058	882,680
	<u>1,478,963</u>	<u>3,072,435</u>
FUNDS APPLIED		
Purchase of fixed assets	1,548,040	2,091,724
Capital borrowings repaid	382,446	90,824
	<u>1,930,486</u>	<u>2,182,548</u>
(DECREASE)/INCREASE IN WORKING CAPITAL	£(451,523)	£ 889,887
Arising from movements in:		
Stocks	16,168	46,806
Debtors	225,961	294,634
Creditors	(147,541)	(161,925)
Short term deposits	(527,000)	745,000
Bank balances and cash	(19,111)	(34,628)
	<u>£(451,523)</u>	<u>£ 889,887</u>

Ernst & Young

CHARTHIRE SERVICES LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1981

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) 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
Leaseholding 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.

(c) Leased assets

Where assets are financed by leasing agreements which give rights similar to ownership (finance leases) 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 lease payments is recorded as capital borrowing 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.

(d) 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.

(e) 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.

NOTES ON THE ACCOUNTS - 31 MARCH 1981

1 ACCOUNTING POLICIES (Continued)

(f) 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 for at least three years.

(g) 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 OPERATING LOSS is stated after charging:

	1981 £	1980 £
Depreciation and amortisation	530,507	210,256
Hire of plant and equipment	6,310	1,939
Auditors' remuneration	7,500	5,000
Emoluments of directors (note 4)	48,704	45,581
Compensation payment to director for loss of office	15,540	-

4 EMOLUMENTS OF DIRECTORS

	1981 £	1980 £
Fees	-	-
Remuneration, including pension contributions	48,704	45,581
	<u>£ 48,704</u>	<u>£ 45,581</u>

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

	1981 £	1980 £
Chairman	-	380
Highest paid director	22,181	21,358

Number of directors

Other directors in scale	2	3
Not more than £5,000	1	-
£5,001 to £10,000	1	-
£12,001 to £15,000	-	1
£15,001 to £20,000	-	-

NOTES ON THE ACCOUNTS - 31 MARCH 1981

5 INTEREST RECEIVABLE

	1981	1980
Interest receivable on short term deposits	<u>£50,044</u>	<u>£176,829</u>

6 INTEREST PAYABLE

	1981	1980
Interest payable in respect of lease finance	<u>£89,103</u>	<u>£ 24,368</u>

7 TAXATION

Due to trading losses available no provision for taxation is necessary.

8 FIXED ASSETS

	Freehold propert- ies £	Leasehold improve- ments £	Hire vehicles £	Plant machinery £	Total £
Cost					
At 31 March 1980	156,489	32,286	1,810,607	92,342	2,091,724
Additions during year	331,974	74,507	1,019,098	122,461	1,548,040
Disposals	-	-	(29,743)	-	(29,743)
At 31 March 1981	<u>£488,463</u>	<u>£106,793</u>	<u>£2,799,962</u>	<u>£214,803</u>	<u>£3,610,021</u>
Depreciation and amortisation					
At 31 March 1980	1,155	54	190,753	12,294	210,256
Charge for year	5,588	3,193	489,697	32,029	530,507
Disposals	-	-	(8,009)	-	(8,009)
At 31 March 1981	<u>£ 6,743</u>	<u>£ 3,247</u>	<u>£ 678,441</u>	<u>£44,323</u>	<u>£ 732,754</u>
Net book amount					
At 31 March 1981	<u>£481,720</u>	<u>£103,546</u>	<u>£2,121,521</u>	<u>£170,480</u>	<u>£2,877,267</u>
Net book amount					
At 31 March 1980	<u>£155,334</u>	<u>£ 32,232</u>	<u>£1,613,854</u>	<u>£ 80,048</u>	<u>£1,881,468</u>

The net book amount of fixed assets at 31 March 1981 comprises:

	Freehold properties	Leasehold improvements		
	1981	1980	1981	1980
	£	£	£	£
Land	180,000	20,000	-	-
Buildings	301,720	58,240	103,546	3,536
Construction in progress	-	77,094	-	28,696
	<u>£481,720</u>	<u>£155,334</u>	<u>£103,546</u>	<u>£32,232</u>

NOTES ON THE ACCOUNTS - 31 MARCH 1981

8 FIXED ASSETS (Continued)

	Hire Vehicles		Plant and machinery	
	1981	1980	1981	1980
	£	£	£	£
Owned	492,141	641,881	104,683	61,844
Leased	1,620,541	772,949	65,797	18,204
Vehicles in progress	8,839	199,024	-	-
	<u>£2,121,521</u>	<u>£1,613,854</u>	<u>£170,480</u>	<u>£80,048</u>

9 SHARE CAPITAL

	Authorised, issued and fully paid	
	1981	1980
	£	£
11½% Cumulative convertible preference shares of £1 each	400,000	400,000
1,600,000 Ordinary shares of £1 each	1,600,000	1,600,000
	<u>£2,000,000</u>	<u>£2,000,000</u>

10 CAPITAL BORROWING

	1981	1980
	£	£
Amounts borrowed on finance leases	2,083,738	882,680
Amounts repaid	473,270	90,824
At 31 March 1981	<u>£1,610,468</u>	<u>£ 791,856</u>

The amount outstanding at 31 March 1981 includes £468,358 (1980 - £192,786) payable within one year.

Amounts repayable under finance lease commitments in subsequent periods are:

	1981	1980
	£	£
1982 - 83	456,341	189,411
1983 - 84	389,090	155,952
1984 - 85	230,790	55,505
1985 - 86	58,817	5,189
1986 - 87	7,072	-

NOTES ON THE ACCOUNTS - 31 MARCH 1981

11 CAPITAL COMMITMENTS

At 31 March 1981, the directors have authorised future capital expenditure which amounts to:

	1981 £	1980 £
Contracted	224,000	414,000
Not contracted	7,000	533,000

12 CONTINGENT LIABILITIES

There were no contingent liabilities.