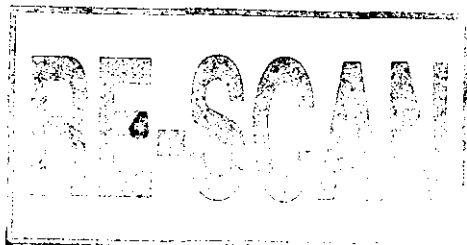


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V I B R O P L A N T

ANNUAL REPORT 1999



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DIRECTORS AND ADVISORS

Honorary President

Margaret A Pilkington

Executive Directors

Jeremy F G Pilkington, B.A. (Chairman and Chief Executive)

Neil A Stothard, M.A., F.C.A.

Non-Executive Directors

Barrie Cottingham, F.C.A., A.T.I.

Stuart J Doughty, B.Sc., F.I.C.E., C.Eng., F.I.H.T.

Secretary

Neil A Stothard, M.A., F.C.A.

Registered Office

Central House, Beckwith Knowle,

Otley Road, Harrogate, North Yorkshire, HG3 1UD

Registered in England: No 481833

Telephone: 01423 533400

Auditors

KPMG Audit Plc, 1 The Embankment,

Neville Street, Leeds, West Yorkshire, LS1 4DW

Solicitors

Hammond Suddards,

2 Park Lane, Leeds, West Yorkshire, LS3 1ES

Registrars and Transfer Office

IRG plc, Bourne House,

34 Beckenham Road, Beckenham, Kent, BR3 4TU

Bankers

National Westminster Bank Plc

Merchant Bankers

N M Rothschild & Sons Limited

Stockbrokers

Credit Lyonnais Securities

FINANCIAL INFORMATION

	1999	1998
Turnover	£52.5m	£49.3m
Profit on ordinary activities before taxation	£3.3m	£2.2m
Profit on ordinary activities before taxation and exceptional items	£3.3m	£1.5m
Earnings and diluted earnings per share	5.77p	3.37p
Dividend per share	4.05p	4.05p
Shareholders' funds	£46.4m	£45.3m
Net debt	£17.7m	£16.9m
Net debt / shareholders' funds	38.1%	37.3%
Expenditure on hire plant	£13.7m	£14.0m
Acquisitions	£1.6m	£8.9m

CHAIRMAN'S STATEMENT

I am pleased to report continued recovery in the Group's performance this year.

SUMMARY OF RESULTS

Group profit before tax was £3.30m (1998: £2.19m; excluding exceptional items: £1.46m) on turnover up 7% to £52.51m (1998: £49.25m). Earnings per share increased to 5.77 pence (1998: 3.37 pence).

The improvement in the profitability of the Construction and Industrial Services division reported last year continued with significant margin improvement on a largely static revenue base. The tool hire division opened a further 18 outlets giving a total of 43 locations across the UK and is now beginning to establish a credible basis for a national tool hire business. Tool hire and rail represented 29% of group revenues in the year (1998: 23%).

Capital expenditure of £15.9m plus a further £1.6m cost of acquisitions reflected our policy of strong but selective investment. This level of investment was made with a 1% increase in net gearing to 38%, underlining the strength of the Group's cash flow.

Net assets increased to £46.42m (1998: £45.31m) including £0.9m of goodwill acquired in the year.

The directors are recommending a final dividend of 2.65 pence per share, payable on 4 October to shareholders on the register at 30 September, giving a maintained total dividend for the year of 4.05 pence per share.

TRADING REVIEW

Vibroplant

As reported in our Interim Statement, we consolidated the Construction and Industrial Services activities under a single management structure during the year. General plant, powered access and compressed air activities now operate as four profit accountable regions supported by their own call centre. This regional hire centre structure has enabled progressive improvements to be made in capacity utilisation and price management, against the background of what remains a highly competitive market environment.

Delivering superior service to an identified customer base remains the basic strategy of our service offering. Within a highly value sensitive market such as the construction industry, it is essential to deliver this quality service from a competitive cost base. Our focus during the year has therefore been on delivering the inherently lower cost base of our regional hire centre structure. As a result we have achieved significant year on year improvement in net margins.

New investment is only made where the underlying business proposition demonstrates acceptable returns and during the year investment has generally been directed in support of customers operating in the more buoyant utility, house building and industrial sectors.

As Group expansion in other areas continues, we see this discipline of internal competition for funds improving overall levels of return on capital, our primary financial measure of business effectiveness.

Investment in fleet in the period totalled £9.7m (1998: £10.2m).

Groundforce & Safety Services

Despite operating in a highly competitive market, Groundforce has retained its significant market share position through continuing innovation, particularly in the creation of new opportunities demanding increasingly sophisticated engineered solutions.

Safety Services continues to develop new markets to complement its traditional shoring customer base.

Fleet investment totalled £1.1m (1998: £1.5m).

Tool Hire

Instant Tool Hire, Cannon Tool Hire, Domindo Tool Hire and 727 Plant (acquired April 1998) all enjoyed strong revenue growth during the year through a balanced combination of organic growth, greenfield start-ups and acquisitions.

Whilst the establishment of a national tool hire business is a key strategic objective, we recognise the importance and value of local brand recognition and the loyalty that has been built up over a period of many years.

Instant has established regional networks in the North West, Yorkshire and the Midlands and opened new branches in Coventry and Rotherham using existing Vibroplant premises. The acquisition of ACE Tool and Plant Services in Walsall and, in May 1999, of Aytec in Barnsley, extended Instant's network of branches to 11.

Cannon operates in the Kent area. Cannon opened in Tonbridge in August and in October acquired the whole of the issued share capital of A.E. Marsh Plant Hire Company Limited in Folkestone. Cannon Tool Hire operates from 9 branches.

Domindo operates in Shropshire and North Wales. In April 1999, this network was further increased with the acquisition of the whole of the issued share capital of Praisefirst Limited, trading as Renter Center. Renter Center has depots in Melksham, Swindon and Chippenham and represents the Group's first tool hire operation in the South West. Domindo, including Renter Center, operates from 9 branches.

727 Plant operates primarily in London and Essex. Since acquisition this business has expanded quickly opening further branches in Docklands, Dartford, Heathrow and Milton Keynes. In November, 727 acquired Saville Hire Limited in Peterborough bringing its number of branches to 9.

A key initiative for the tool hire business during the year was the introduction of a standard I.T. platform. This has now been successfully

CHAIRMAN'S STATEMENT

implemented across the whole depot network so that all tool hire depots utilise a common point of sale transaction system.

The planned expansion of the tool network this year will involve a significant number of greenfield openings. New openings are not expected to trade profitably in their first months of operation and this expansion will therefore hold back profit growth in the year.

Investment in small tools during the year totalled £3.6m (1998: £2.0m).

Rail

Torrent Trackside operates primarily in support of the railtrack maintenance sector from a network of 5 depots across the country. During the year, the national dispute by railtrack personnel has held back maintenance work with an adverse affect on trading. Our withdrawal from low margin activities reduced revenue year on year but has had a positive impact on profitability. There has been some recent encouraging movement in resolving the rail dispute and Torrent's strong market position and reputation will enable it to capitalise on new work as it is released.

MANAGEMENT BUY-OUT

The Company announced on 28 April 1999 that members of its senior management had indicated that they were investigating the possibility of making an offer for the Company. Management have now indicated that they do not intend to proceed with an offer and discussions have therefore terminated. The estimated costs incurred by the Company in relation to these discussions, of £125,000, have been provided in the accounts.

The directors remain committed to continuing the Company's existing strategy with a view to enhancing shareholder value.

OUTLOOK

The outlook for construction activity looks broadly favourable over the medium term but competitive pressures remain severe, particularly in general plant. We share the recent well publicised concern within the sector regarding immediate prospects for the industry.

The consolidation of the plant hire sector over the last two years has led to a reduction in the number of providers who like ourselves are able to offer true national coverage. Choice will always be a customer requirement and these structural changes have therefore been broadly positive for the Group. Unfortunately, this consolidation has not yet had any significant impact on the over capacity within the industry.

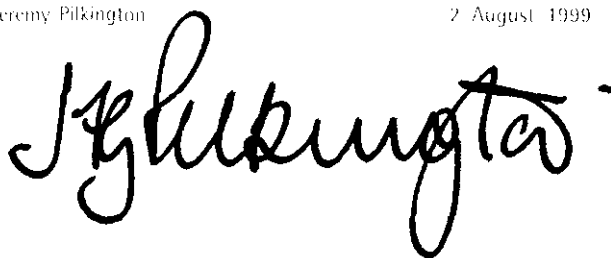
Groundforce, Offshore and Safety Services are activities where we have a strong market share and which continue to offer significant growth opportunities. Together with our accelerating presence in the tool hire market and our exposure to the upside of railtrack

expenditure plans, we remain optimistic about prospects in these areas which will remain the primary focus of our growth strategy.

I wish to express on behalf of all shareholders our thanks for another year of commitment and loyalty from our staff.

Jeremy Pilkington

2 August 1999



SUMMARY OF RESULTS

Group turnover increased to £52.5m, a 7% increase (1998: £49.3m), including a maiden contribution from acquisitions of £2.2m.

Operating profit at £4.8m represented a margin of 9.1% on turnover, a further improvement on last year's margin of 6.2%.

Profit before tax was £3.3m (1998: £1.5m before exceptional items).

VIBROPLANT, GROUNDFORCE AND SAFETY SERVICES

Turnover in the year was £37.2m (1998: £37.9m) generating increased operating profits of £3.0m (1998: £1.9m). Gross capital investment in fleet assets totalled £10.8m (1998: £11.7m).

The average number of employees was 623 (1998: 679).

TOOL HIRE AND RAIL

Turnover in the year totalled £15.3m (1998: £11.4m), generating operating profits of £1.8m (1998: £1.2m). Gross capital investment in these businesses totalled £3.9m (1998: £3.8m).

The average number of employees was 344 (1998: 286).

CASH FLOW

The Group continued to produce strong net cash inflows from operating activities totalling £13.8m, up from £10.4m in the previous year. Gross capital expenditure in the period was £14.3m (1998: £16.6m). Disposal of fixed assets was again a strong cash contributor at £6.4m, giving a net capital expenditure of £7.9m. The net cost of acquisitions during the year was £1.6m.

NET DEBT AND INTEREST

Net debt at the year end totalled £17.7m (1998: £16.9m) representing a marginal increase in the gearing position of the Group at 31 March 1999 to 38% (1998: 37%). The funding requirement to support further capital investment and acquisitions was generated largely from the organic cash flow of the Group.

During the year we took the opportunity to consolidate £6m of the Group overdraft facility by way of a medium-term floating rate loan. The overdraft facility operates on a floating rate basis. Bank debt funding increased from £5.2m to £8.7m during the year.

The balance of the net debt relates to fixed rate finance lease and hire purchase agreements. The total liability on these agreements was £9.0m at the year end (1998: £11.7m).

The Group's financial instruments comprise borrowings, medium-term loans, cash liquid resources and various items such as trade debtors, trade creditors, etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board regularly reviews the interest rate and liquidity position of the Group.

The Group finances its operations by a mixture of retained profits, bank borrowings, finance lease and hire purchase. The Group has no borrowings or deposits in foreign currency. At the year end 51% of the Group debt was at fixed interest rates (finance lease and hire purchase) and 49% on floating interest rates (overdraft and medium-term loan). There are no cash deposits. It is the Board's policy to continually review the interest rate risk position and the Group will continue to underpin a significant element of its debt going forward by way of fixed interest rate instruments.

As noted above, the Group consolidated £6m of its on demand overdraft facility into a 3 year medium term loan during the year. Further liquidity is achieved from the finance lease and hire purchase facilities which extend up to 5 years. Short-term flexibility for running the Group is achieved via the overdraft facilities.

The Group net interest charge was £1.5m (1998: £1.3m) after interest on finance leases of £0.8m (1998: £1.1m). Interest cover increased to 3.24 (1998: 2.68) at the year end.

The numeric disclosures required by FRS13 are set out in notes 17 and 18. As permitted by FRS13 short-term debtors and creditors have been excluded from such disclosure.

SHAREHOLDERS' FUNDS

Group shareholders' funds at the year end totalled £46.4m (1998: £45.3m). The increase in shareholders funds includes capitalised goodwill totalling £0.9m, which is being amortised over its estimated useful life of 20 years. This goodwill related to acquisitions made during the financial year.

TAXATION

The taxation charge of £0.7m (1998: £0.6m) represents an effective tax rate of 20% (1998: 29%) on the profit before tax for the year. This low effective tax rate has arisen due to the favourable resolution of long-standing technical discussions with the Inland Revenue in respect of tax issues arising from the sale of our US business in 1996.

DIRECTORS' REPORT

The Directors of Vibroplant plc present their annual report and the audited financial statements for the year ended 31 March 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group is plant and tool hire conducted almost entirely in the United Kingdom. During the year four tool hire businesses were acquired; details are provided in note 23.

A review of the development of the business and the current trading position is provided in the Chairman's Statement and the Financial Review.

DIVIDEND

The Directors propose a final dividend of 2.65 pence (1998: 2.65 pence) per share. Subject to approval of this final dividend at the Annual General Meeting, shareholders will receive a total dividend for the year of 4.05 pence (1998: 4.05 pence) per share, a total payment of £1,859,000.

The final dividend will be paid to shareholders on the register of members of the Company on 10 September 1999 and it is proposed that dividend warrants be posted on 4 October 1999.

FIXED ASSETS

The Directors carried out a valuation of the Group's properties as at 31 March 1996. The Directors, after taking appropriate professional advice, reviewed this valuation at 31 March 1999, taking into account current market conditions, and consider that it is still an appropriate reflection of the value of the properties to the Group. Additional details of the valuation are provided in note 12.

During the year the Company acquired 890,000 of its own shares for a SAYE scheme. Further details are provided in note 13.

DIRECTORS

The Directors who held office during the year were as follows:

Jeremy F G Pilkington (48) has been Chairman and Chief Executive since 1981. He is a member of the Audit and Remuneration Committees.

Neil A Stothard (41) was appointed Group Finance Director in 1997. He was previously Group Finance Director of Gray Dawes Group, a business travel management company and prior to that, Divisional Finance Director of Transport Development Group plc.

Barrie Cottingham (65) was appointed a non-executive Director in 1996. Until his retirement in 1995 he was a senior partner at Coopers & Lybrand. Currently, he is non-executive Chairman of SIG plc and Cattles plc, and a non-executive Director of Dew Pitchmastic plc. He is Chairman of the Audit Committee and a member of the Remuneration Committee.

Stuart J Doughty (55) was appointed a non-executive Director in 1996. He is Chairman of Kennedy Construction Group and Beck & Polditzer Engineering Ltd and has extensive experience of the construction industry in which he has held a number of senior executive appointments. He is Chairman of the Remuneration Committee and a member of the Audit Committee.

Ned Steward retires by rotation and being eligible, offers himself for re-election. He has a service contract with the Company terminable on six months notice.

DIRECTORS' INTERESTS

The interest of each Director in the shares of Group companies are shown in the Remuneration Report on pages 10 and 11.

SHARE OPTION SCHEMES

Details of the Company's share option schemes are shown in note 22.

SUBSTANTIAL SHAREHOLDERS

As at 8 July 1999 the following had notified the Company of an interest of 3% or more in the Company's issued ordinary share capital.

	Number of Ordinary Shares	Percentage of Issued Ordinary Shares
Ackers P Investment Company	23,684,876	51.28
Robert Fleming Holdings' Limited	6,300,000	13.64

Mr Pilkington is a Director of Ackers P Investment Company which is the holding company of Vibroplant plc.

EMPLOYEES

The Directors are committed to maintaining effective communication with employees on matters which affect their occupation and future prospects while at the same time increasing their awareness of the Group's overall activities and performance. To this end information is provided by various means including a half yearly in-house journal.

It is the policy of the Group to employ and train disabled people whenever their skills and qualifications allow and suitable vacancies are available. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no political contributions during the year. Donations to charities amounted to £9,532.

SUPPLIER PAYMENT POLICY

It is the Company's policy to make payment to suppliers on our standard supplier terms unless alternative terms are agreed. The Company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The number of days purchases outstanding at 31 March 1999 was 49 days.

ANNUAL GENERAL MEETING

Resolutions will be proposed as special business to enable the Directors to continue to use their existing powers to allot unissued shares and (subject to the limits therein contained) to allot shares for cash other than to existing shareholders in proportion to their shareholding. These resolutions seek to renew the authorities approved at last year's Annual General Meeting and comply with the current guidelines issued by the Investment Committees of the Association of British Insurers and the National Association of Pension Funds. In addition, resolutions have been proposed to amend the Articles of Association to give the Company the ability to purchase its own shares, and to give the Company the power to exercise such ability to make market purchases of ordinary shares, subject to certain specified limits. The Board undertakes to shareholders that it will not exercise this ability to purchase its own shares unless to do so would result in an increase in earnings per share and is in the best interest of shareholders generally.

CORPORATE GOVERNANCE

The Combined Code

The Board supports the need for the highest standards of corporate governance and has reviewed its policies following the publication of the Combined Code (the "Code") in June 1998. Throughout the year the Group has complied with the provisions set out in Section 1 of the Code with the following exceptions:

- The roles of Chairman and Chief Executive are combined (Code provision A.2.1)
- Under the Articles of Association Mr Pilkington is not required to stand for re-election (Code provision A.6.2)
- Mr Pilkington has a fourteen month notice period (Code provision B.1.7)
- Both the remuneration and audit committees include an executive Director (Code provisions B.2.2 and D.3.1)
- Directors' remuneration does not comply with certain aspects of Schedule A. These are detailed in the Remuneration Report (Code provision B.1.6).
- Details of the proxy votes were not disclosed at last year's Annual General Meeting (Code provision C.2.1)

The reasons for these exceptions and how the Group has applied the principles in Section 1 of the Code are set out below under the four main headings of the Code.

Directors

The Board consists of two executive and two independent non-executive Directors. The non-executive Directors have wide ranging experience from other publicly quoted companies and bring an authoritative objectivity to the Board.

Mr Pilkington serves as Chairman and Chief Executive. It is considered that the relatively small size of the Group makes it unnecessary and unduly expensive to split these roles. Under the Company's Articles of Association Mr Pilkington is not required to stand for re-election.

The senior non-executive Director is *Barrie Cottingham*. The non-executive Directors have agreements with the Company which, subject to re-election, have a fixed initial term and are renewable for a maximum of two further periods of between two and three years.

The Board meets at least 8 times a year and has adopted a schedule of matters reserved for its approval to ensure that it has full and effective control over appropriate financial, strategic and compliance matters. The Board is provided with all appropriate papers for each Board meeting, including the latest available management accounts. All Directors have access to the advice and services of the Company Secretary and can seek independent legal advice as appropriate.

There are also two committees of the Board, the Remuneration and Audit Committees. Each committee has specific terms of reference set by the Board. The members of these committees are as follows:

Remuneration Committee

S J Doughty - Chairman of the Committee
B Cottingham
J F G Pilkington

Audit Committee

B Cottingham - Chairman of the Committee
S J Doughty
J F G Pilkington

Both committees have a majority of non-executive Directors, however the inclusion of Mr Pilkington, an executive Director, is considered appropriate due to the small size of the Group and of the Board. In addition the Company does not have a Nomination Committee for this reason.

The Remuneration Committee meets formally once a year and the Audit Committee twice a year. Both Committees meet additionally as required.

Directors' Remuneration

Details of the remuneration of each Director are provided in the Remuneration Report on pages 10 and 11. The Remuneration Report also provides full details of the Group's remuneration policy. Mr Pilkington's notice period of fourteen months is long-standing and not significantly in excess of the Code's guidelines and therefore *no change is proposed*.

Relations with Shareholders

The Board has always sought to maintain good relationships with its shareholders. It therefore understands the importance of giving both private and institutional shareholders the opportunity to raise concerns and discuss matters with the Directors. To this end meetings are held, as appropriate, with institutional investors. Also at the Annual General Meeting, which all Directors attend, shareholders are given the opportunity to ask the Board any questions they wish regarding the Company, both in open forum and privately.

The proxy votes received for last year's Annual General Meeting were counted, but the information was not disclosed at the meeting. This requirement will be complied with in the future.

Accountability and Audit

The Board recognises the importance of strong internal financial controls and through the group internal audit function, group reporting procedures and subsidiary board meetings maintains a constant review of the operation of these controls. Further details are provided below in the section on Internal Financial Control. As permitted by the London Stock Exchange, the Group has complied with Code provision D.2.1 on internal controls by reporting on internal financial controls. The Board will review this matter once the Institute of Chartered Accountants in England and Wales have issued full guidance.

As noted above the Company has an Audit Committee to which the external auditors report. Furthermore, although the audit committee includes an executive Director, the non-executive members of the committee meet independently with the external auditors as required.

INTERNAL FINANCIAL CONTROL

The Board is responsible for the Group's system of internal financial control. The system of internal financial controls is designed to safeguard the assets of the group and provide reasonable assurance that the financial information used within the business and for publication is reliable. However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatement or loss.

During the year the Board, in conjunction with its Audit Committee, reviewed the operation of the system of internal financial control. This review included an assessment of the control environment of the Group as a whole, the identification of key business and financial risks and an evaluation of the control procedures in place. Through the Audit Committee and Group Internal Audit, the Board monitors continuing compliance with control systems as well as their improvement or modification as appropriate.

Key elements of the control and review procedures employed by the Board are the annual strategic planning and budget preparation process, together with the approval of all material capital expenditure and contracts. Monthly financial and management accounts are reported against budget and prior year, and variances investigated.

During the year the Group made four acquisitions. All were subject to a detailed due diligence review. Furthermore, once a new subsidiary is acquired, the Group takes appropriate steps to extend its internal controls to that company's operations.

GOING CONCERN

As at 31 March 1999 the Group had net debt including finance leases of £17.7m. After making enquiries, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the going concern basis has been adopted in the preparation of the accounts.

YEAR 2000

The Group is aware of the risks and uncertainties associated with the effect of Year 2000 on its operations and those of its customers and suppliers. To address these issues the Group has a defined Year 2000 policy based on British Computer Society guidelines; it has also adopted the Society's Definition of Conformity (PD2000-1). The Year 2000 assessment project team, which the Group has set up, has two clear objectives:

- To ensure that the Year 2000 issues, and the Group's policy towards them, are understood throughout the group and;
- To compile a comprehensive inventory of all IT components and services in use in the Group and ensure their compliance.

Due to the complex nature of the issues it is not possible to say with absolute certainty that all of the risks associated with Year 2000 have been resolved. However, significant progress has been made to date and the Group's Year 2000 project is now substantially complete. The estimated total cost of Year 2000 compliance is £700,000. The majority of these costs are of a capital nature and include a significant element which would have been incurred in the normal course of events.

AUDITORS

A resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG Audit Plc as auditors of the Company.

By Order of the Board.



N A STOTHARD

Secretary

2 August 1999

POLICY ON DIRECTORS' REMUNERATION

In framing its remuneration policy, the Board has complied with Section 1 of the Combined Code.

The Group seeks to recruit, retain and motivate executives of the highest calibre, taking into account levels of remuneration in companies of comparable size and industry orientation. The Remuneration Committee's primary role is to determine, on behalf of the Board, the remuneration of the Executive Directors. In this regard the Committee takes into consideration the interests of the Group and of its shareholders as a whole. The remuneration package consists of a basic salary, annual performance related bonus, contributions to a pension scheme and benefits in kind, typical of a Group of this size, such as a fully expensed car and permanent health insurance. The executive Directors are entitled to an annual bonus based primarily on achievement of targets relating to the budgeted profits of the Group. The maximum bonus payable is capped at 50% of the executive Directors' basic salary. The remuneration of the non-executive Directors is set by the full board with each Director abstaining in relation to his own remuneration.

SHARE OPTIONS

The only share option held by a Director during the year was an option over 7,500 shares at 52 pence held by Mr Stothard under the SAYE scheme.

LONG-TERM INCENTIVE SCHEMES

Jeremy Pilkington benefits from a long-term cash bonus scheme set up in 1990/91 which is structured as a "phantom" share option arrangement. Under this scheme Mr Pilkington has an effective economic interest in options over 250,000 shares at a strike price of between 101p and 119p per share. The phantom option expires between August 2000 and July 2001. This scheme is designed to reflect the benefit to shareholders of an increased share price and is not subject to any additional performance criteria.

There are no other active long-term schemes. No awards have yet been made under the Vibroplant Long-Term Incentive Plan approved at last year's Annual General Meeting.

PENSIONS

Mr Pilkington is a member of the Vibroplant plc 1985 Pension Scheme. Under the scheme, a Directors' category, which is non-contributory, permits individualised arrangements to be incorporated. These arrangements currently provide for an annual pension entitlement accrual of one thirtieth of final pensionable salary, up to a maximum of two thirds, which includes annual bonuses but not long-term incentive plans. Annual bonuses are included within pensionable salary in accordance with the Scheme rules. The Remuneration Committee is mindful of Schedule A of Part 2 of Section 1 of the Combined Code relating to pension contributions. Whilst current arrangements form part of existing employment contracts, this is an area that will be kept under careful review. The provisions of the Code will, subject to legal obligations, be reflected in any future arrangements.

In addition, Mr Pilkington benefits from a long-standing contractual entitlement to retire at 50 years of age without actuarial reduction of pension. The present value cost to the Group of augmenting the fund to facilitate this entitlement is estimated at £573,000. However, Mr Pilkington has indicated to the Group in writing that he has no present intention of retiring before the age of 55 at the earliest. The present value cost of augmentation on the latter basis is estimated at approximately £329,000. This sum will be provided for over the relevant period.

Mr Stothard has a personal pension plan to which the Company contributes.

SERVICE CONTRACTS

Mr Pilkington has a service contract terminable on fourteen months notice. Mr Stothard has a service contract terminable on six months notice.

Non-executive Directors do not have service contracts, however they do have fixed term contracts with the Company based on an initial period renewable for a maximum of two further periods of between two and three years.

REMUNERATION REPORT

DIRECTORS' REMUNERATION

The following table shows a breakdown of the remuneration of the individual Directors for the year ended 31 March 1999:

	Salary / Fees	Bonus	Benefits	Total	1998
	£	£	£	£	£
J F G Pilkington	151,400	-	22,535	173,935	159,801
N A Stothard	83,200	7,500	10,103	100,803	82,626
B Cottingham	18,750	-	-	18,750	17,500
S J Doughty	18,750	-	-	18,750	17,500
	<u>272,100</u>	<u>7,500</u>	<u>32,638</u>	<u>312,238</u>	<u>277,427</u>

In addition to the above benefits Mr Stothard was reimbursed for the costs of relocating to Harrogate. This included a £10,000 disturbance allowance.

DIRECTORS' PENSIONS

During the year one Director was a member of the Vibroplant plc 1985 pension scheme. The details of his benefits are as follows:

	Accumulated total accrued annual pension	Increase in accrued pension over the year	Increase in transfer value over the year
	£	£	£
J F G Pilkington	56,432	6,559	72,000

The increase in accrued pension over the year excludes the increase for inflation.

One Director, Mr Stothard, benefited from the Company making a contribution to his personal pension plan. The contribution was £8,539 (1998: £6,236)

DIRECTORS' INTERESTS

The beneficial interests of Directors serving at the end of the year and their families, in the ordinary share capital of the Company are set out below:

	31 March 1999	1 April 1998
J F G Pilkington	8,122	8,122
B Cottingham	35,000	35,000
S J Doughty	-	-
N A Stothard	13,500	13,500

During the year Mr Pilkington was interested in 23,684,876 shares registered in the name of Ackers P Investment Company, a company controlled by him together with Trusts which are connected persons for the purposes of Section 346 of the Companies Act 1985.

There were no changes in the interests of the Directors between 31 March 1999 and 8 July 1999.

On behalf of the Board



N A STOTHARD
Secretary

2 August 1999

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT

AUDITORS' REPORT TO THE MEMBERS OF VIBROPLANT PLC

We have audited the financial statements on pages 13 to 28.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Annual Report, including as described above the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the London Stock Exchange and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the Company is not disclosed.

We review whether the statement on page 8 reflects the Company's compliance with those provisions of the Combined Code specified for our review by the Stock Exchange, and we report if it does not. We are not required to form an opinion on the effectiveness of the Company's corporate governance procedures or its internal controls.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 March 1999 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds

2 August 1999

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1999**

		Existing Operations 1999 £000	Acquisitions 1999 £000	Total 1999 £000	Total 1998 £000
	Note				
Turnover	2	50,321	2,189	52,510	49,250
Cost of sales	4	(36,707)	(1,132)	(37,839)	(37,040)
Gross profit		13,614	1,057	14,671	12,210
Administrative expenses		(9,113)	(782)	(9,895)	(9,156)
Operating profit		4,501	275	4,776	3,054
Release from US disposal provision	4			-	435
Profit on ordinary activities before interest				4,776	3,489
Net interest payable	7			(1,472)	(1,301)
Profit on ordinary activities before taxation	3			3,304	2,188
Taxation on profit on ordinary activities	8			(662)	(630)
Profit for the financial year				2,642	1,558
Dividends paid and proposed	9			(1,859)	(1,871)
Retained profit / (loss) for the financial year				783	(313)
Earnings and diluted earnings per bp ordinary share	10			5.77p	3.37p
Dividend per bp ordinary share	9			4.05p	4.05p

Note of consolidated historical cost profits and losses

	1999 £000	1998 £000
Reported profit on ordinary activities before taxation	3,304	2,188
Realisation of property revaluation gains of previous years	333	-
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	17	18
Historical cost profit on ordinary activities before taxation	3,654	2,206
Historical cost profit / (loss) for the year retained after taxation, minority interest and dividends	1,133	(295)

The profit and loss account reflects all recognised gains and losses for current and prior years. These all relate to continuing activities with the exception of the release from the US disposal provision in the year ended 31 March 1998.

A reconciliation of the movement in consolidated shareholders' funds is provided in note 24.

CONSOLIDATED BALANCE SHEET AT 31 MARCH 1999

	Note	1999 £000	1998 £000
Fixed assets			
Intangible assets - goodwill	11	877	-
Tangible assets	12	57,912	55,687
Investments	13	552	-
		<u>59,341</u>	<u>55,687</u>
Current assets			
Stocks	14	2,024	1,692
Debtors	15	16,236	17,686
Cash at bank and in hand		43	22
		<u>18,303</u>	<u>19,400</u>
Creditors: amounts falling due within one year	16	<u>(17,843)</u>	<u>(19,521)</u>
Net current assets / (liabilities)		<u>460</u>	<u>(121)</u>
Total assets less current liabilities		<u>59,801</u>	<u>55,566</u>
Creditors: amounts falling due after more than one year	17	(13,250)	(10,049)
Provisions for liabilities and charges	19	(133)	(207)
Net assets		<u>46,418</u>	<u>45,310</u>
Capital and reserves			
Called up share capital	21	2,309	2,309
Share premium account	23	16,192	16,192
Revaluation reserve	23	2,180	2,530
Profit and loss account	23	25,710	24,252
Equity shareholders' funds		<u>46,391</u>	<u>45,283</u>
Equity minority interests	25	27	27
		<u>46,418</u>	<u>45,310</u>

These financial statements were approved by the Board of Directors on 2 August 1999 and were signed on its behalf by:

J F G PILKINGTON
Chairman



N A STOTHARD
Director



PARENT COMPANY BALANCE SHEET AT 31 MARCH 1999

	Note	1999 £000	1998 £000
Fixed assets			
Tangible assets	12	49,201	49,357
Investments	13	<u>10,447</u>	<u>9,225</u>
		59,648	58,582
Current assets			
Stocks	14	1,161	1,173
Debtors	15	19,868	19,197
Cash at bank and in hand		<u>20</u>	<u>-</u>
		21,049	20,370
Creditors: amounts falling due within one year	16	<u>(22,935)</u>	<u>(24,281)</u>
Net current liabilities		<u>(1,886)</u>	<u>(3,911)</u>
Total assets less current liabilities		57,762	54,671
Creditors: amounts falling due after more than one year	17	<u>(13,016)</u>	<u>(9,884)</u>
Provisions for liabilities and charges	19	<u>(578)</u>	<u>(207)</u>
Net assets		<u>44,168</u>	<u>44,580</u>
Capital and reserves			
Called up share capital	21	2,309	2,309
Share premium account	23	16,192	16,192
Revaluation reserve	23	2,180	2,530
Profit and loss account	23	<u>23,487</u>	<u>23,549</u>
Equity shareholders' funds		<u>44,168</u>	<u>44,580</u>

These financial statements were approved by the Board of Directors on 2 August 1999 and were signed on its behalf by:

J F G PILKINGTON
Chairman



N A STOTHARD
Director



**CONSOLIDATED CASH FLOW STATEMENT FOR
THE YEAR ENDED 31 MARCH 1999**

	Note	1999 £000	1998 £000
Net cash inflow from operating activities	31	13,805	10,365
Return on investments and servicing of finance			
Interest paid		(710)	(408)
Interest received		52	305
Interest element of finance lease rental payments		(814)	(1,066)
Net cash outflow from returns on investments and servicing of finance		(1,472)	(1,169)
Taxation			
UK corporation tax paid		(172)	(136)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(14,332)	(16,640)
Purchase of investments		(552)	-
Sale of tangible fixed assets		6,430	5,903
Net cash outflow from capital expenditure and financial investment		(8,454)	(10,737)
Acquisitions and disposals			
Purchase of subsidiaries and businesses (net of cash and overdraft purchased)	28	(1,628)	(8,892)
Equity dividends paid		(1,859)	(1,871)
Cash inflow / (outflow) before use of liquid resources and financing		220	(12,440)
Management of liquid resources			
Investments in bank managed funds		-	7,900
Fixed term US dollar deposit		-	1,527
Net cash inflow from management of liquid resources		-	9,427
Financing			
Medium term loan		6,000	-
Loan notes		42	-
Capital element of finance lease rental payments		(3,730)	(3,426)
Net cash inflow / (outflow) from financing		2,312	(3,426)
Increase / (decrease) in cash in the year		2,532	(6,439)

A reconciliation of the net cash flow to movement in net debt is provided in note 29 and an analysis of net debt in note 30

NOTES
(forming part of the financial statements)

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently (with the exception of the change in the method of accounting for goodwill noted below) in dealing with items which are considered material in relation to the Group's financial statements. During the year the Group adopted the new Financial Reporting Standards, 10 to 14.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules, modified to include the revaluation of certain freehold and long leasehold land and buildings.

Basis of consolidation

The Group financial statements consolidate the financial statements of Vibroplant plc and all its subsidiary undertakings. All subsidiaries have year ends which are coterminous with those of the parent company.

The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the Company's financial statements, investments in subsidiary undertakings are stated at the lower of cost or net recoverable value. Dividends received and receivable are credited to the Company's profit and loss account to the extent that they represent a realised profit for the Company.

In accordance with Section 230 (4) of the Companies Act 1985 Vibroplant plc is exempt from the requirement to present its own profit and loss account.

The amount of the profit / (loss) for the financial year dealt with in the financial statements of Vibroplant plc is disclosed in note 23 to these financial statements.

Goodwill

Goodwill represents the excess of the fair value of the consideration given in respect of investments in subsidiary undertakings or businesses over the fair value of the separable net assets acquired.

As a result of the implementation of Financial Reporting Standard 10, goodwill relating to businesses acquired in the current financial year has been capitalised as an intangible asset and amortised over its useful economic life of 20 years. The effect of the change in the year has been to capitalise £905,000 of goodwill and charge £28,000 of amortisation to the profit and loss account.

Prior to 1 April 1998, goodwill arising on consolidation was written off to reserves in the year it arose. In accordance with the transitional provisions of the standard such goodwill remains eliminated against reserves. In the event that a subsidiary undertaking or business which gave rise to such goodwill is disposed of, the attributable goodwill will be charged to the profit and loss account as a component of the profit or loss on disposal.

Tangible fixed assets

The cost of fixed assets is their purchase cost together with any incidental costs of acquisition. Land and buildings for own use are included in the financial statements at historical cost, or at Directors' valuation. The Directors consider the value of land and buildings each year with the assistance of professionally qualified valuers. Where an impairment in value has arisen provision is made in the financial statements.

Depreciation

Depreciation is provided by the Group to write off the cost or valuation less the estimated residual value of tangible assets using the following annual rates:

Freehold buildings	- 2% straight line
Leasehold land and buildings	- term of lease
Hire plant	- 10% - 20% straight line
Small tools	- 20% - 25% straight line and 20% reducing balance
Motor vehicles	- 25% reducing balance
Computers	- 50% reducing balance and 25% straight line
Fixtures, fittings and other equipment	- 10% - 20% reducing balance

No depreciation is provided on freehold land.

NOTES

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pensions

The Group operates defined contribution and defined benefit pension schemes. The cost of pensions in respect of the defined contribution schemes is fixed in relation to the emoluments of the membership and is charged to the profit and loss account as incurred.

The pension contributions to the defined benefit scheme are assessed by a qualified actuary and charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees participating in the scheme.

Stocks

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

Taxation

Taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that a liability will crystallise.

Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services to third party customers during the year.

2. SEGMENTAL INFORMATION

All of the Group's activities relate to plant hire, tool hire and associated activities with customers mainly based within the United Kingdom. Turnover outside the United Kingdom either by source or destination is not material.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated	1999	1998
after charging:	£000	£000
<i>Auditors' remuneration:</i>		
Audit - Group auditors	68	57
- Other auditors	13	10
Other services (paid to Group auditors and their associates)	25	33
 Depreciation and other amounts written off tangible fixed assets:		
Owned	8,440	9,032
Leased	2,001	1,987
Amortisation of goodwill	28	-
 Rent of land and buildings	695	541
Hire of other assets	4,696	4,342
 after crediting :		
Profit on sale of tangible fixed assets	2,371	2,129

In addition to the auditor's remuneration stated above, £10,000 (1998: £73,000) was paid to the Group auditors and their associates which is included in the goodwill capitalised or written off to reserves in the year ended 31 March 1999. The audit fee of the Company was £43,000 (1998: £42,000).

NOTES

4. PRIOR YEAR EXCEPTIONAL ITEMS

There were no exceptional items during the year. However, the profit before tax for the prior year, ending 31 March 1998, was after the following exceptional items:

A reduction of £297,000 in cost of sales as a result of a change in depreciation method for hire plant. The method was changed from reducing balance, at rates of 10% to 25%, to a straight line method based on asset lives of between 5 and 10 years and a nil residual. The new method brought the Group in line with most other major plant hire companies and better reflected the contribution of these assets over their period of use.

A credit of £435,000 in relation to the US disposal provision reflecting a partial release of the provisions set up when the US business was sold in 1996. These provisions were set up, based on appropriate professional advice, to reflect potential liabilities under the sale contract for environmental costs, warranties and legal actions. These provisions are reviewed on a regular basis in association with our professional advisors and the release resulted mainly from the finalisation of a specific legal action.

5. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	1999	1998
Plant hire	623	679
Tool hire and rail	344	286
	<u>967</u>	<u>965</u>

The aggregate payroll costs of these persons were as follows:

	1999	1998
	£000	£000
Wages and salaries	15,119	14,374
Social security costs	1,390	1,289
Other pension costs (see note 27)	300	239
	<u>16,809</u>	<u>15,902</u>

6. DIRECTORS

	1999	1998
	£000	£000
Directors' remuneration comprises the following:		
Fees	19	18
Salaries and other emoluments	293	304
	<u>312</u>	<u>322</u>
Money purchase pension contributions	9	6
Compensation for loss of office	-	24
	<u>321</u>	<u>352</u>

The emoluments, including the estimated monetary value of benefits in kind, but excluding pension contributions of the Chairman, who was also the highest paid Director, were £173,935 (1998: £159,801).

Details of Directors' remuneration are given in the Remuneration Report on pages 10 and 11.

On 4 February 1999 the Company sold an Aston Martin DB4, with a net book value at that date of £32,254 to Mr Pilkington, a Director of the Company, for consideration of £80,000. The transaction was conducted on an arms length basis, supported by an independent valuation. This was the only contract with the Company during the year in which a Director had a material interest.

7. NET INTEREST PAYABLE

	1999	1998
	£000	£000
Interest payable:		
On bank loans and overdrafts	(704)	(373)
Finance charges payable in respect of finance lease and hire purchase contracts	(814)	(1,069)
Other	(6)	(18)
	<u>(1,524)</u>	<u>(1,460)</u>
Interest receivable:		
Bank and other interest receivable	52	159
	<u>(1,472)</u>	<u>(1,301)</u>

NOTES

8. TAXATION

	1999	1998
	£000	£000
UK Corporation tax charge at 31% (1998: 31%)		
on the profit for the year on ordinary activities	642	297
Deferred taxation	655	107
Adjustments relating to prior years	(635)	226
	<u>662</u>	<u>630</u>

The low effective tax rate of 20% (1998: 29%) reflects the benefit to the tax charge of an agreement with the Inland Revenue relating to the tax on the sale of the US business in 1996. The effect on the tax charge of the prior year exceptional items was a charge of £137,000.

9. DIVIDENDS

	1999	1998
	£000	£000
Ordinary shares:		
Interim paid 1.40p (1998: 1.40p) per share	635	647
Final proposed 2.65p (1998: 2.65p) per share	1,224	1,224
	<u>1,859</u>	<u>1,871</u>

10. EARNINGS PER SHARE

The calculation of earnings and diluted earnings per 5 pence ordinary share is based on a profit of £2,642,000 (1998: £1,558,000) and on 45,770,479 (1998: 46,185,000) shares, being the weighted average number of shares in issue during the year.

11. INTANGIBLE FIXED ASSETS - GOODWILL

	£000
Cost	
At beginning of year	-
Acquisitions (see note 28)	905
At end of year	<u>905</u>
Amortisation	
At beginning of year	-
Charge	28
At end of year	<u>28</u>
Net book value	
At 31 March 1999	<u>877</u>
At 31 March 1998	<u>-</u>

In accordance with the accounting policy for goodwill set out on page 17, goodwill arising after 1 April 1998 has been capitalised and is being amortised over its estimated useful life.

Goodwill arising on consolidation prior to 1 April 1998 remains eliminated against reserves.

NOTES

12. TANGIBLE FIXED ASSETS

GROUP	Land and buildings £000	Hire plant and small tools £000	Motor vehicles £000	Other assets £000	Total £000
Cost or valuation					
At beginning of year	12,550	88,754	2,341	6,429	110,124
Transfers between categories	-	(84)	-	84	-
Additions	654	13,715	577	931	15,877
Fair value adjustment	-	317	-	-	317
On acquisition	24	1,329	146	120	1,619
Disposals	(1,192)	(11,459)	(1,031)	(20)	(13,702)
At end of year	<u>12,036</u>	<u>92,572</u>	<u>2,033</u>	<u>7,594</u>	<u>114,235</u>
Depreciation					
At beginning of year	1,812	46,794	1,464	4,367	54,437
Transfers between categories	-	(80)	-	80	-
Charge for year	167	9,337	323	614	10,441
Fair value adjustment	-	132	-	-	132
On acquisition	23	761	68	104	956
Disposals	(150)	(8,657)	(816)	(20)	(9,643)
At end of year	<u>1,852</u>	<u>48,287</u>	<u>1,039</u>	<u>5,145</u>	<u>56,323</u>
Net book value					
At 31 March 1999	<u>10,184</u>	<u>44,285</u>	<u>994</u>	<u>2,449</u>	<u>57,912</u>
At 31 March 1998	<u>10,738</u>	<u>41,960</u>	<u>877</u>	<u>2,112</u>	<u>55,687</u>

COMPANY	Land and buildings £000	Hire plant £000	Motor vehicles £000	Other assets £000	Total £000
Cost or valuation					
At beginning of year	12,009	80,942	1,443	5,847	100,241
Transfers between categories	-	(84)	-	84	-
Additions	383	9,779	152	518	10,832
Disposals	(1,192)	(10,186)	(804)	(20)	(12,202)
At end of year	<u>11,200</u>	<u>80,451</u>	<u>791</u>	<u>6,429</u>	<u>98,871</u>
Depreciation					
At beginning of year	1,760	43,897	1,123	4,104	50,884
Transfers between categories	-	(80)	-	80	-
Charge for year	135	7,129	94	522	7,880
Disposals	(150)	(8,252)	(672)	(20)	(9,094)
At end of year	<u>1,745</u>	<u>42,694</u>	<u>545</u>	<u>4,686</u>	<u>49,670</u>
Net book value					
At 31 March 1999	<u>9,455</u>	<u>37,757</u>	<u>246</u>	<u>1,743</u>	<u>49,201</u>
At 31 March 1998	<u>10,249</u>	<u>37,045</u>	<u>320</u>	<u>1,743</u>	<u>49,357</u>

NOTES

The net book value of land and buildings is analysed as follows:

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Freehold	8,941	9,386	8,351	9,006
Long leasehold	549	714	549	635
Short leasehold	694	644	555	608
	<u>10,184</u>	<u>10,738</u>	<u>9,455</u>	<u>10,249</u>

The Directors carried out a valuation of the Group's properties as at 31 March 1996 in conjunction with Carter Jonas Property Consultants. The valuation, which was incorporated in the financial statements for the year ended 31 March 1996 was performed on an open market basis for existing use, except where the Directors, after taking advice, considered it appropriate to reflect the economic value of a property to the business. Such distinctions have only been made where the Directors believe open market value would substantially understate the economic value of the property to the Group. The Directors have reviewed this valuation as at 31 March 1999, after taking appropriate professional advice, and have concluded that the valuation is still appropriate.

If the properties had not been included in these financial statements based on valuation they would have been stated at the following amounts:

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Historical cost of land and buildings	9,696	9,862	8,860	9,321
Aggregate depreciation based on historical cost	(1,692)	(1,654)	(1,585)	(1,602)
Historical cost net book value	<u>8,004</u>	<u>8,208</u>	<u>7,275</u>	<u>7,719</u>

The cost or valuation of land and buildings for both the Group and Company includes £9,660,000 at valuation.

Other tangible fixed assets are included at cost.

The Group gross book value of land and buildings includes £4,446,000 (1998: £5,077,000) of freehold land not subject to depreciation, Company: £4,446,000 (1998: £5,077,000).

Included in the total net book value of fixed assets of the Group is £10,937,000 (1998: £12,422,000), in respect of assets held under finance leases and similar hire purchase contracts, Company: £10,053,000 (1998: £11,894,000). Depreciation for the year on these Group assets was £2,001,000 (1998: £1,987,000) and £1,749,000 (1998: £1,862,000) for the Company.

13. FIXED ASSET INVESTMENTS

Fixed asset investments are as follows:

		1999	1998
Group		£000	£000
Own shares		<u>552</u>	<u>-</u>
Company	Subsidiaries	Own shares	Total
	£000	£000	£000
Cost			
At beginning of year	10,912	-	10,912
Purchases	820	552	1,372
Deferred consideration adjustment	(150)	-	(150)
At end of year	<u>11,582</u>	<u>552</u>	<u>12,134</u>
Provision			
At beginning of year and end of year	<u>1,687</u>	<u>-</u>	<u>1,687</u>
Net book value			
At 31 March 1999	<u>9,895</u>	<u>552</u>	<u>10,447</u>
At 31 March 1998	<u>9,225</u>	<u>-</u>	<u>9,225</u>

The provision is in relation to two of the dormant subsidiaries.

The investment in own shares, in both the Group and Company, relates to the shares held for the SAYE scheme. 890,000 shares were acquired at 62 pence.

NOTES

The Company's principal subsidiary undertakings are:

	Country of Registration or Incorporation	Principal Activity	Country of Principal Operation	Class and Percentage of Shares Held
Whitaker Investments Limited	England	Holding Company	UK	Ordinary shares 100%
Canter Tool Hire Limited	England	Tool Hire	UK	Ordinary shares 100%
East of London Hire Limited	England	Tool Hire	UK	Ordinary shares 100%
Green Tractors Limited	England	Tool Hire	UK	Ordinary shares 100%
Domestic Tool Hire Limited	England	Tool Hire	UK	Ordinary shares 100%
TTI Plant Limited	England	Tool Hire	UK	Ordinary shares 100%

Further subsidiaries have not been shown because they are either not material or are dormant. Their particulars will be included in the next annual return.

14. STOCKS

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Raw materials and consumables	1,469	1,404	1,161	1,173
Finished goods and goods for resale	555	288	-	-
	<u>2,024</u>	<u>1,692</u>	<u>1,161</u>	<u>1,173</u>

15. DEBTORS

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Amounts falling due within one year				
Trade debtors	12,158	11,995	8,110	8,483
Amounts owed by subsidiary undertakings	-	-	7,958	5,679
Tax recoverable	-	33	-	-
Advance corporation tax recoverable	648	940	631	940
Other debtors	2,043	2,395	2,000	2,371
Prepayments and accrued income	1,387	1,797	1,169	1,676
Deferred taxation (see note 20)	-	526	-	48
	<u>16,236</u>	<u>17,686</u>	<u>19,868</u>	<u>19,197</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Bank overdrafts (see note 18)	2,733	5,244	3,340	5,910
Obligations under finance leases and hire purchase contracts (see note 17)	2,646	3,083	2,351	2,894
Loan notes	42	-	42	-
Trade creditors	6,230	5,135	3,986	3,288
Amounts owed to subsidiary undertakings	-	-	9,699	8,976
Corporation tax	653	837	326	21
Advance corporation tax	162	468	161	468
Other taxes and social security	1,213	1,337	880	852
Other creditors	21	237	-	175
Accruals and deferred income	2,919	1,956	926	473
Dividend proposed	1,224	1,224	1,224	1,224
	<u>17,843</u>	<u>19,521</u>	<u>22,935</u>	<u>24,281</u>

NOTES

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Medium term bank loan (see note 18)	6,000	-	6,000	-
Obligations under finance leases and hire purchase contracts (see below)	6,342	8,596	6,108	8,431
Deferred consideration	750	1,240	750	1,240
Accruals and deferred income	158	213	158	213
	<u>13,250</u>	<u>10,049</u>	<u>13,016</u>	<u>9,884</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Within one year	2,646	3,083	2,351	2,894
In the second to fifth years	6,342	8,596	6,108	8,431
	<u>8,988</u>	<u>11,679</u>	<u>8,459</u>	<u>11,325</u>

The Group's finance lease and hire purchase liabilities are fixed rate instruments with interest rates ranging from 6% to 9%. There is no material difference between the book value and fair value of the Group's finance lease and hire purchase liabilities.

18. BANK LOANS AND OVERDRAFTS

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Payable within one year or on demand	2,733	5,244	3,340	5,910
Payable in 2-5 years	6,000	-	6,000	-
	<u>8,733</u>	<u>5,244</u>	<u>9,340</u>	<u>5,910</u>

The Group's bank accounts are subject to set off arrangements covered by cross guarantees and are presented accordingly. They are secured by a fixed and floating charge over the assets of the Group and are at variable interest rates linked to current bank base rate. The unutilised bank facility available to the Group is £4,767,000. There is no material difference between the book value and fair value of the Group's bank borrowings. Further details relating to the Group's funding strategy are provided in the Financial Review on page 6.

19. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £000	Reorganisation provision £000	Total £000
Group			
At beginning of year	-	207	207
Charge for the year in the profit and loss account	655	-	655
Utilised	-	(207)	(207)
Deferred tax included in purchase of subsidiaries	4	-	4
Transfer from debtors	(526)	-	(526)
At end of year	<u>133</u>	<u>-</u>	<u>133</u>
Company			
At beginning of year	-	207	207
Charge for the year in the profit and loss account	626	-	626
Utilised	-	(207)	(207)
Transfer from debtors	(48)	-	(48)
At end of year	<u>578</u>	<u>-</u>	<u>578</u>

NOTES

20. DEFERRED TAXATION

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1999		1998	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Group				
Accelerated capital allowances	626	3,526	18	3,553
Short term timing differences	(493)	(86)	(544)	(141)
Deferred taxation liability / (asset)	<u>133</u>	<u>3,440</u>	<u>(526)</u>	<u>3,412</u>
Company				
Accelerated capital allowances	578	3,352	-	3,529
Short term timing differences	-	(73)	(48)	(98)
Deferred taxation liability / (asset)	<u>578</u>	<u>3,279</u>	<u>(48)</u>	<u>3,431</u>

21. CALLED UP SHARE CAPITAL

	1999 £000	1998 £000
Authorised		
60,000,000 Ordinary shares of 5 pence each	<u>3,000</u>	<u>3,000</u>
Allotted, called up and fully paid		
46,185,000 Ordinary shares of 5 pence each (1998: 46,185,000)	<u>2,309</u>	<u>2,309</u>

22. SHARE OPTION SCHEMES

Executive share option scheme

During the year under review, no further options were granted in respect of ordinary shares under the Vibroplant Executive Share Option Scheme. It is not the Board's intention to grant any further options under this scheme.

At 31 March 1999 share options were outstanding as follows:

Date of Grant	Option price per ordinary share	Number of shares
1 December 1989	152p	18,300

Options are normally exercisable between the third and tenth anniversary of the date of grant. Currently there are 10 participants in the Executive Share Option Scheme.

SAYE Scheme

In October 1998 the Group granted options over 890,250 shares under the SAYE Scheme approved at last year's Annual General Meeting. The option price is 52 pence and they are exercisable after 3 years. There were options over 800,625 shares outstanding at 31 March 1999.

Details of Directors' share options are provided in the Remuneration Report on pages 10 and 11.

The market value of the ordinary shares at 31 March 1999 was 51.0p (1998: 78.0p), the highest market value in 1998/99 was 86.5p and the lowest 51.0p.

23. SHARE PREMIUM AND RESERVES

	Share Premium Account	Revaluation Reserve	Profit and Loss Account
Group	£000	£000	£000
At beginning of year	16,192	2,530	24,252
Retained profit for year	-	-	783
Goodwill adjustment (see note 28)	-	-	325
Realised on sale of revalued assets	-	(333)	333
Depreciation of revalued assets	-	(17)	17
At end of year	<u>16,192</u>	<u>2,180</u>	<u>25,710</u>
Company			
At beginning of year	16,192	2,530	23,549
Retained loss for year	-	-	(412)
Realised on sale of revalued assets	-	(333)	333
Depreciation of revalued assets	-	(17)	17
At end of year	<u>16,192</u>	<u>2,180</u>	<u>23,487</u>

The cumulative amount of goodwill resulting from acquisitions which has been written off to reserves is £7,686,000 (1998: £8,011,000). This amount excludes goodwill attributable to subsidiary undertakings or businesses disposed of prior to the balance sheet date.

The amount of the profit for the financial year dealt with in the accounts of the Company was £1,459,000 (1998: £607,000).

24. RECONCILIATION OF MOVEMENT IN CONSOLIDATED SHAREHOLDERS' FUNDS

	1999 £000	1998 £000
Profit for the financial year	2,642	1,558
Dividends	<u>(1,859)</u>	<u>(1,871)</u>
	783	(313)
Goodwill written back / (written off)	325	(4,147)
Net increase / (reduction) in shareholder's funds	1,108	(4,460)
Opening shareholders' funds	45,283	49,743
Closing shareholders' funds	<u>46,391</u>	<u>45,283</u>

25. EQUITY MINORITY INTERESTS

	Group	
	1999 £000	1998 £000
At beginning and end of year	<u>27</u>	<u>27</u>

26. COMMITMENTS

(i) Capital commitments at the end of the financial year for which no provision has been made are as follows:

	Group		Company	
	1999 £000	1998 £000	1999 £000	1998 £000
Contracted	<u>1,058</u>	<u>6,130</u>	<u>900</u>	<u>6,035</u>

(ii) Annual commitments under non-cancellable operating leases are as follows:

	1999		1998	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Group				
Operating leases which expire:				
Within one year	76	356	33	103
In the second to fifth years inclusive	74	1,913	74	2,413
Over five years	<u>492</u>	<u>-</u>	<u>449</u>	<u>-</u>
	<u>642</u>	<u>2,269</u>	<u>556</u>	<u>2,516</u>
Company				
Operating leases which expire:				
Within one year	-	339	-	93
In the second to fifth years inclusive	-	1,820	-	2,373
Over five years	<u>222</u>	<u>-</u>	<u>279</u>	<u>-</u>
	<u>222</u>	<u>2,159</u>	<u>279</u>	<u>2,466</u>

NOTES

27. PENSION SCHEMES

The Group operates defined contribution schemes, and a defined benefit scheme providing benefits based on final pensionable earnings. The assets of the schemes are held in separate trustee administered funds.

Contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the cost of the pensions over the employee's working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations.

The latest actuarial assessment of the defined benefit scheme was made as at 1 April 1997 using the projected unit method. The main assumptions adopted for pension cost purposes were that the long term investment return would be 9% per annum, that pensionable earnings would increase by 7% per annum and that dividends on equities would increase by 4% per annum. At 1 April 1997 the market value of the assets of the Scheme was £5,477,000 and the actuarial value of the assets was sufficient to cover 126% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The pensions charge for the year for all schemes was £300,000 (1998: £239,000). This is exclusive of £65,000 (1998: £73,000) in respect of the amortisation of surpluses of the defined benefit scheme that are recognised over 16 years, the average expected remaining lifetime of employees.

A provision of £158,000 (1998: £213,000) is included in creditors, this being the excess of accumulated pension costs over the amount funded.

28. PURCHASE OF BUSINESSES

The Group acquired three new subsidiaries during the year. 727 Plant Limited was acquired on 24 April 1998 by Vibroplant plc, A E Marsh Limited was acquired on the 30 October 1998 by Cannon Tool Hire Limited and Saville Hire Limited was acquired by 727 Plant Limited on 20 November 1998. In addition the business and assets of Ace Tool Hire were acquired on 20 October 1998 by Instant Tool Hire Limited. None of the acquisitions was individually material in Group terms and therefore details of these are provided in aggregate below.

	Total
	£000
Fixed assets	663
Stocks	153
Debtors	576
Cash	78
Bank overdraft	(110)
Creditors	(715)
Provisions for liabilities and charges	(4)
Book value and fair value of assets acquired	<u>641</u>
Goodwill	905
Cost of acquisitions	<u>1,546</u>
Satisfied by	
Consideration	1,474
Acquisition costs	<u>72</u>
	<u>1,546</u>
Analysis of cash flow for acquisitions	
Cost of acquisition	1,546
Deferred consideration paid	40
Additional acquisition costs for prior year acquisition	10
Overdraft net of cash included in acquisitions	<u>32</u>
	<u>1,628</u>
Goodwill capitalised	
On current year acquisitions	<u>905</u>
Goodwill adjustment to reserves	
Fair value adjustment on prior year acquisition	(185)
Additional acquisition costs for prior year acquisition	10
Reduction in deferred consideration relating to a prior year acquisition	<u>(150)</u>
	<u>(325)</u>

The fair value adjustment on prior year acquisitions relates to the recovery of assets previously written off as lost.

No fair value adjustments were necessary in respect of net assets acquired in the year.

NOTES

29. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1999	1998
	£000	£000
Increase / (decrease) in cash in the year	2,532	(6,439)
Cash (inflow) / outflow from movement in debt and lease finance	(2,312)	3,426
Cash inflow from decrease in liquid resources	-	(9,427)
Change in net debt resulting from cash flows	<u>220</u>	<u>(12,440)</u>
New finance leases and hire purchase contracts	(853)	(313)
Finance leases included in purchase of subsidiaries and businesses	(186)	(83)
Movement in net debt in the year	<u>(819)</u>	<u>(12,836)</u>
Net debt at the start of the year	<u>(16,901)</u>	<u>(4,065)</u>
Net debt at the end of the year	<u>(17,720)</u>	<u>(16,901)</u>

30. ANALYSIS OF NET DEBT

	As at 1 April 1998	Cash Flow	Acquisitions	Other Non-Cash Changes	As at 31 March 1999
	£000	£000	£000	£000	£000
Cash at bank and in hand	22	21	-	-	43
Overdraft	(5,244)	2,511	-	-	(2,733)
Medium term loan	-	(6,000)	-	-	(6,000)
Loan notes	-	(42)	-	-	(42)
Finance leases and hire purchase	(11,679)	3,730	(186)	(853)	(8,988)
	<u>(16,901)</u>	<u>220</u>	<u>(186)</u>	<u>(853)</u>	<u>(17,720)</u>

31. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999	1998
	£000	£000
Operating profit	4,776	3,054
Depreciation and amortisation of goodwill	10,469	11,019
Profit on sale of tangible fixed assets	(2,371)	(2,129)
Increase in stocks	(179)	(156)
Decrease / (increase) in debtors	1,168	(1,338)
Decrease in creditors	(58)	(85)
Net cash inflow from operating activities	<u>13,805</u>	<u>10,365</u>

32. POST BALANCE SHEET EVENTS

The Group has made two acquisitions since the year end: On 1 April 1999 the Group acquired Praisefirst Limited, trading as Renter Center, a tool hire company with three depots in Wiltshire. On 10 May 1999 the group also acquired Aytec Portable Equipment Limited a single depot tool hire company based in Barnsley. The total consideration for these two purchases, paid in cash, was £793,000.

33. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Ackers P Investment Company which is the ultimate parent company registered in England. Consolidated accounts are not prepared for this company.

FIVE YEAR SUMMARY

	1995	1996	1997	1998	1999
	£m	£m	£m	£m	£m
Turnover	67,777	63,472	36,819	49,250	52,510
Profit / (loss) on ordinary activities before taxation	9,429	2,149	(2,878)	2,188	3,304
Taxation	(6,187)	(4,334)	937	(630)	(662)
Profit / (loss) on ordinary activities after taxation	<u>3,242</u>	<u>(2,185)</u>	<u>(1,941)</u>	<u>1,558</u>	<u>2,642</u>
Dividends	<u>(1,851)</u>	<u>(1,871)</u>	<u>(1,871)</u>	<u>(1,871)</u>	<u>(1,859)</u>
Share capital	2,309	2,309	2,309	2,309	2,309
Reserves	56,706	53,829	47,434	42,974	44,082
Equity shareholders' funds	<u>59,015</u>	<u>56,138</u>	<u>49,743</u>	<u>45,283</u>	<u>46,391</u>

SHARE STATISTICS

Asset value	<u>128p</u>	<u>122p</u>	<u>108p</u>	<u>98p</u>	<u>101p</u>
Earnings / (loss)	<u>11.37p</u>	<u>(4.67)p</u>	<u>(4.20)p</u>	<u>3.37p</u>	<u>5.77p</u>
Dividend	<u>4.00p</u>	<u>4.05p</u>	<u>4.05p</u>	<u>4.05p</u>	<u>4.05p</u>
Dividend cover	<u>2.81</u>	<u>-</u>	<u>-</u>	<u>0.93</u>	<u>1.42</u>

NOTICE OF MEETING

Notice is hereby given that the twenty seventh Annual General Meeting of the Company will be held at Rudding House, Rudding Park, Follifoot, Harrogate on Monday 20 September 1999 at 10am for the following purposes:

As ordinary business

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 1999.
2. To declare a Final Dividend.
3. To re-elect a Director - N A Stothard.
4. To re-appoint KPMG Audit Plc as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, at which the accounts are laid before the Company and to authorise the Directors to agree their remuneration.

As special business

To consider and, if thought fit, pass the following resolutions of which Resolution 5 will be proposed as an Ordinary Resolution and Resolutions 6, 7 and 8 will be proposed as Special Resolutions:

5. That for the purposes of Section 80 of the Companies Act 1985 (and so that expressions defined in that Section shall bear the same meanings as in this Resolution) the Directors be, and they are, generally authorised to allot relevant securities up to a maximum nominal amount of £690,750 to such persons at such times and on such terms as they think proper during the period expiring on the date of the next Annual General Meeting after the passing of this Resolution (or any adjournment thereof) save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and, the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
6. That the Directors be and they are hereby generally authorised to allot for cash or otherwise equity securities (as defined in Section 94 of the Companies Act 1985 "the Act") of the Company pursuant to the authority conferred by Resolution 5 above as if Section 89 of the Act did not apply to such allotment provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with a rights issue, open offer or otherwise in favour of Ordinary Shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be practicable having to the interests of the Company as a whole) to the respective numbers of Ordinary Shares held by them on the record date for such allotment but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any Stock Exchanges in any territory;
 - (b) to the allotment of equity securities pursuant to the terms of any share schemes for Directors and employees of the Company or any of its subsidiaries approved by the Company in General Meeting; and
 - (c) to the allotment otherwise than pursuant to subparagraphs (a) and (b) above of equity securities not exceeding in aggregate the nominal amount of £115,000.provided further that the authority hereby granted shall expire at the conclusion of the next Annual General Meeting after the passing of this Resolution (or any adjournment thereof) save that the Directors shall be entitled to make at any time before the expiry of the power hereby conferred any offer or agreement which might require equity securities to be allotted after the expiry of such power.
7. That the Company's existing Articles of Association be amended with the inclusion of the following additional Article 52(A)(cc):

"purchase its own shares (including any redeemable shares) in accordance with the provisions of the Act".
8. That, subject to the passing of Resolution 7, the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Act) of Ordinary shares of 5 pence each in the capital of the Company ("Ordinary shares") provided that:
 - (a) the maximum number of Ordinary shares hereby authorised to be purchased is 2,309,250 being 5% of the issued share capital of the Company;
 - (b) the minimum price which may be paid for Ordinary shares is 5 pence per Ordinary shares exclusive of expenses;
 - (c) the maximum price which may be paid for an Ordinary share is the amount equal to 5% above the average of the middle market quotations derived from the Stock Exchange Daily Official List for the 5 business days immediately preceding the day of purchase, exclusive of expenses;
 - (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed prior to such time; and
 - (e) the Company may make a contract to purchase Ordinary shares under the authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary shares in pursuance of any such contract.

By Order of the Board.

N A STOTHARD

Secretary

Notes

A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll, vote instead of him and that proxy need not also be a member. A form of proxy is enclosed with these financial statements for this purpose. It must be deposited at the Company's registered office not less than 48 hours before the time fixed for the meeting.

VIBROPLANT PLC
ANNUAL GENERAL MEETING - FORM OF PROXY

I/We

(BLOCK LETTERS)

of

being a registered holder(s) of * Ordinary Shares in the capital of Vibroplant plc hereby appoint the Chairman of the Meeting, or (note 2) as my/our Proxy to attend and on a poll (and in the case of a Corporation on a show of hands and a poll) vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday 20 September 1999 and at any adjournment thereof. I/we request the Proxy to vote on the following resolutions as indicated.

Resolution

	For	Against
1 To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 1999	<input type="checkbox"/>	<input type="checkbox"/>
2 To declare a final dividend	<input type="checkbox"/>	<input type="checkbox"/>
3 To re-elect a Director - N A Stothard	<input type="checkbox"/>	<input type="checkbox"/>
4 To re-appoint KPMG Audit Plc as Auditors and to authorise the Directors to agree their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
5 To approve the authority to allot shares	<input type="checkbox"/>	<input type="checkbox"/>
6 To approve the disapplication of pre-emption rights	<input type="checkbox"/>	<input type="checkbox"/>
7 To approve the amendment of the Company's Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>
8 To approve the purchase of own shares	<input type="checkbox"/>	<input type="checkbox"/>

Signature Date

Notes

1. Please indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to use your vote on any particular matter the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting.
 2. If you prefer to appoint some other person or persons as your proxy, strike out the words "the Chairman of the Meeting", and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company.
 3. In the case of joint holders only one need sign as the vote of the senior holder who tenders a vote will alone be counted.
 4. If the member is a Corporation this form must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
 5. To be effective this Proxy must be completed, signed and must be lodged (together with any power of attorney or duly certified copy thereof under which this proxy is signed) at the Registered Office of the Company at Central House, Beckwith Knowle, Otley Road Harrogate, HG3 1UD not less than 48 hours before the time appointed for the meeting.
- * Insert the number of Ordinary Shares in respect of which the form of Proxy is given. If the number is not inserted, the form of Proxy will be taken to have been given in respect of all Ordinary Shares held.

THIRD FOLD AND TUCK IN

BUSINESS REPLY SERVICE
Licence No. LS 1583

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FIRST FOLD

The Company Secretary,
Vibroplant plc,
Central House,
Beckwith Knowle,
Otley Road,
Harrogate,
North Yorkshire,
HG3 1BR

SECOND FOLD