

1621157

MTB EQUIPMENT LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 SEPTEMBER 1996**

REGISTERED NUMBER

1621157



MTB EQUIPMENT LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

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MTB EQUIPMENT LIMITED

**COMPANY INFORMATION
AS AT 30 SEPTEMBER 1996**

DIRECTORS

J W Mainwaring
A D Berrington
R Roldan
J Singla

SECRETARY

A D Berrington

BUSINESS ADDRESS

9 Barton Road
Water Eaton
Bletchley
Milton Keynes
MK2 3HX

AUDITORS

Mercer & Hole
Chartered Accountants
420 Silbury Boulevard
Central Milton Keynes
Bucks
MK9 2AF

PRINCIPAL BANKERS

National Westminster Bank Plc
Central Business Exchange
Exchange House
478 Midsummer Boulevard
Central Milton Keynes
MK9 2EA

MTB EQUIPMENT LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 30 September 1996.

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 as at the end of the financial year and of the profit or loss of the company 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;
- comply with applicable Accounting Standards, 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 will continue in business.

The directors are responsible for maintaining 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were the assembly and distribution of coach seating and equipment.

No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS

The net loss after providing for taxation amounted to £179,907.

The directors consider the results achieved on ordinary activities to be disappointing in the light of current trading conditions.

DIVIDENDS AND TRANSFERS TO RESERVES

No dividends were paid during the year and no recommendation is made as to dividends.

It is proposed that the retained loss for the year of £179,907 be transferred to reserves.

MTB EQUIPMENT LIMITED

DIRECTORS' REPORT

POST BALANCE SHEET EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial year ended 30 September 1996.

FUTURE DEVELOPMENTS

The directors do not anticipate that there will be any fundamental change in the development of the company's business during the coming year.

FIXED ASSETS

Details of significant changes in fixed assets during the year are set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

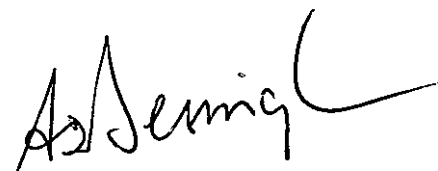
The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		1996	1995
J W Mainwaring	Ordinary shares	20,000	20,000
A D Berrington	Ordinary shares	20,000	20,000
R Roldan	Ordinary shares	-	-
J Singla	Ordinary shares	12,000	12,000

AUDITORS

The auditors, Mercer & Hole, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the board:



A D Berrington
Director

14th April 1997

MTB EQUIPMENT LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and on the basis of accounting policies set out on pages 8 and 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

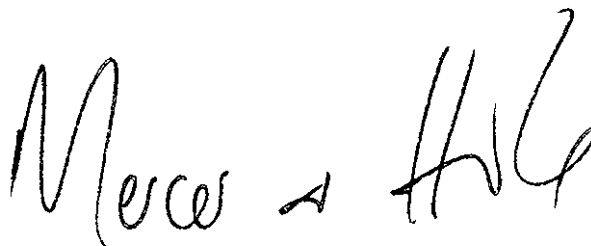
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 as to whether 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 affairs of the company as at 30 September 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mercer & Hole
Chartered Accountants
Registered Auditors
Milton Keynes

A handwritten signature in dark ink, appearing to read 'Mercer & Hole', is written over the printed name of the firm.

15th April 1997

MTB EQUIPMENT LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

	Notes	1996 £	1995 £
TURNOVER	2	2,259,658	2,573,951
Cost of sales		1,908,118	1,959,638
GROSS PROFIT		351,540	614,313
Distribution costs		55,282	54,695
Administrative expenses		440,977	479,893
OPERATING LOSS	3	(144,719)	79,725
Investment income and interest receivable	4	-	2,615
Interest payable and similar charges	5	(75,008)	(80,678)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(219,727)	1,662
Tax on loss on ordinary activities	8	39,820	(922)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(179,907)	740
RETAINED LOSS FOR THE FINANCIAL YEAR		(179,907)	740
Retained profits brought forward		284,810	284,070
RETAINED PROFITS CARRIED FORWARD		104,903	284,810

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 16 form part of these financial statements.

MTB EQUIPMENT LIMITED**BALANCE SHEET
AT 30 SEPTEMBER 1996**

	Notes	£	1996 £	£	1995 £
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		740,340		744,135
			740,340		744,135
CURRENT ASSETS					
Stocks	11	558,412		603,606	
Debtors	12	566,869		608,171	
Cash at bank and in hand		49,075		49,429	
		1,174,356		1,261,206	
CREDITORS: amounts falling due within one year	13	(1,164,219)		(1,061,060)	
NET CURRENT ASSETS			10,137		200,146
TOTAL ASSETS LESS CURRENT LIABILITIES			750,477		944,281
CREDITORS: amounts falling due after more than one year	14		(545,574)		(559,471)
NET ASSETS			204,903		384,810

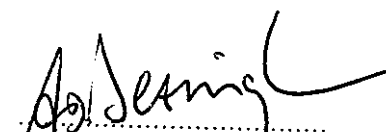
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MTB EQUIPMENT LIMITED

**BALANCE SHEET
AT 30 SEPTEMBER 1996**

	Notes	£	1996 £	£	1995 £
CAPITAL & RESERVES					
Called up share capital	15		100,000		100,000
Profit and loss account			104,903		284,810
TOTAL SHAREHOLDERS' FUNDS	16		<u>204,903</u>		<u>384,810</u>

The financial statements were approved by the board of directors on 14th April 1997 and signed on its behalf by:


.....
A D Berrington
Director

The notes on pages 8 to 16 form part of these financial statements.

MTB EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided on the following annual rates in order to write off each asset over its useful life:

Long leasehold building	2% on cost
Plant, equipment & tools	10% on cost
Motor vehicles	25% on cost

No depreciation is charged on freehold and long leasehold land.

Stocks

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

Net realisable value is based on estimated selling price less further costs to completion and disposal.

MTB EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

1. STATEMENT OF ACCOUNTING POLICIES - (continued)

Research and Development

Expenditure on research is written off in the year in which it is incurred.

Development expenditure is deferred to future periods where there is a clearly defined project with separately identifiable expenditure. The outcome of such a project has been assessed with reasonable certainty in regard to the technical feasibility and the ultimate commercial viability has been carefully considered. Future revenues are reasonably expected to exceed the current deferred development costs, future development costs and related production, selling and administration expenditure. Adequate financial resources are expected to be available to complete the project.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets. The assets of the scheme are held in an independently administered fund.

MTB EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996****2. TURNOVER**

	1996 £	1995 £
Analysis by geographical market:		
United Kingdom	2,039,937	2,278,005
European Economic Community	198,369	140,753
Rest of the World	21,352	155,193
	<u>2,259,658</u>	<u>2,573,951</u>

3. OPERATING LOSS

Operating loss is stated:	1996 £	1995 £
After charging:		
Depreciation on fixed assets	43,969	51,902
Adjustment on disposal of fixed assets	-	(3,514)
Auditors' remuneration	4,200	3,900
	<u>4,200</u>	<u>3,900</u>

4. INVESTMENT INCOME AND INTEREST RECEIVABLE

	1996 £	1995 £
Interest received and receivable		
Bank interest	-	2,615
	<u>-</u>	<u>2,615</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
On bank loans and overdrafts	22,316	22,527
On other loans repayable in full within five years	52,484	56,092
Lease finance charges and hire purchase interest	208	1,305
Other interest	-	754
	<u>75,008</u>	<u>80,678</u>

MTB EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996****6. INFORMATION ON DIRECTORS AND EMPLOYEES**

	1996 £	1995 £
(a) Staff costs		
Wages and salaries	471,162	536,529
Social security costs	40,185	45,811
Other pension costs	3,886	6,534
	<u>515,233</u>	<u>588,874</u>

	1996 No.	1995 No.
The average number of employees during the year was made up as follows:		
Executive directors and administration	9	10
Shop floor	24	31
	<u>33</u>	<u>41</u>

	1996 £	1995 £
(b) Directors' emoluments		
Remuneration for management services (including pension contributions)	<u>103,259</u>	<u>118,315</u>
The division of directors' emoluments excluding pension contributions are as follows:		
Remuneration of chairman	<u>2,000</u>	<u>22,500</u>
Remuneration of highest paid director	<u>51,073</u>	<u>46,277</u>

Other directors' remuneration fell within the following ranges:

	1996 No.	1995 No.
Up to £5,000	1	1
£45,001 - £50,000	1	1

MTB EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

7. PENSION COSTS

Defined contribution scheme

The pension cost charge represents contributions payable by the company to the fund and amounted to £3,886 (1995:£6,534).

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
The taxation charge based on the loss before tax comprises:		
U.K. corporation tax at 24% (1995 - 25%)	(39,297)	922
Adjustment in respect of prior years	(523)	-
	<u>(39,820)</u>	<u>922</u>

9. INTANGIBLE FIXED ASSETS

	Patent Costs £
Cost:	
1 October 1995 and at 30 September 1996	<u>136,395</u>
Amortisation:	
1 October 1995 and at 30 September 1996	<u>136,395</u>
Net book value:	
At 30 September 1996	<u>-</u>

MTB EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and equipment £	Motor vehicles £	Total £
(a) Cost or valuation:				
At 1 October 1995	683,382	392,661	42,924	1,118,967
Additions	4,789	35,385	-	40,174
At 30 September 1996	688,171	428,046	42,924	1,159,141
Depreciation:				
At 1 October 1995	44,421	307,448	22,963	374,832
Charge for year	13,763	19,574	10,632	43,969
At 30 September 1996	58,184	327,022	33,595	418,801
Net book value:				
At 30 September 1996	629,987	101,024	9,329	740,340
At 30 September 1995	638,961	85,213	19,961	744,135

(b) Analysis of net book value of land and buildings:

Long leasehold	629,987	638,961
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Included above are assets held under finance leases or hire purchase contracts as follows:-

	1996 £	1995 £
Net book values:		
Plant and machinery	1,733	1,933
Depreciation charge for the year:		
Plant and machinery	200	67

Net obligations under finance leases and hire purchase contracts are secured on the

MTB EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

10. TANGIBLE FIXED ASSETS - (continued)

assets acquired.

11. STOCKS

	1996	1995
	£	£
Raw materials and consumables	487,317	549,892
Short term work in progress	71,095	53,714
	<u>558,412</u>	<u>603,606</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

12. DEBTORS

	1996	1995
	£	£
Trade debtors	512,671	592,094
Amounts owed by other group undertakings	6,652	6,886
Other debtors	43,785	8,594
Prepayments and accrued income	3,761	597
	<u>566,869</u>	<u>608,171</u>

MTB EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

13. CREDITORS: amounts falling due within one year

	1996	1995
	£	£
Bank loans and overdrafts	360,121	288,355
Net obligations under finance leases and hire purchase contracts	667	667
Trade creditors	476,437	377,730
Amounts owed to other group undertakings	254,519	295,122
Corporation tax	-	19,680
Other taxes and social security costs	56,000	65,745
Other creditors	1,548	1,548
Accruals and deferred income	14,927	12,213
	<u>1,164,219</u>	<u>1,061,060</u>

14. CREDITORS: amounts falling due after more than one year

	1996	1995
	£	£
Bank loan	464,808	515,608
Holding company loan	80,266	42,696
Net obligations under finance lease and hire purchase contracts	500	1,167
	<u>545,574</u>	<u>559,471</u>

The bank loan which totals £522,481 is repayable in monthly instalments, £231,061 of which is due after 5 years.

The rate of interest on the loan is 2.75% above base rate.

The loan is secured by a fixed charge on the property, together with a specific charge over debtors and fixed specific and floating charges over all the assets.

MTB EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

15. SHARE CAPITAL

	1996 £	1995 £
Authorised:		
Equity interests:		
Ordinary share capital	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid:		
Equity interests:		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Loss for the financial year	(179,907)	740
Opening shareholders' funds	<u>384,810</u>	<u>384,070</u>
Closing shareholders' funds	<u>204,903</u>	<u>384,810</u>
Represented by:-		
Equity interests	<u>204,903</u>	<u>384,810</u>

17. CONTINGENT LIABILITIES

The company has a warranty bond of £83,500 outstanding on its contract with Hunslett Transporation Projects.

18. ULTIMATE PARENT COMPANY

The company regards Fainsa srl, incorporated in Spain as its ultimate parent company.