

Lansing Linde Triflik Limited

Directors' report and financial  
statements

2791930

31 December 1999



## Contents

|   |   |
|---|---|
| Directors' report   | 1 |
| Statement of directors' responsibilities                              | 3 |
| Report of the auditors to the members of Lansing Linde Trifik Limited | 4 |
| Profit and loss account   | 5 |
| Balance sheet   | 6 |
| Cash flow statement   | 7 |
| Notes   | 8 |

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

### Principal activities and future developments

The principal activity of the company during the year was dealing in and undertaking specialised servicing and maintenance of mechanical handling equipment. The company will continue to develop its business in line with current activities.

### Business review

The directors are of the opinion that the trading results for the year under review are in line with their market expectations.

### Year 2000

Linde AG has recognised that the year 2000 issue was important and established a programme throughout the group to resolve this problem. Lansing Linde Trifik followed the framework set out by Linde AG. There have been no reported incidents of any significance.

### Dividend

The directors do not recommend the payment of a final ordinary dividend (1998:£nil).

### Directors and directors' interests

The directors who served during the year were as follows:

|            |   |
|------------|---|
| RL Burt    |   |
| PA Burt    | Resigned 30 <sup>th</sup> June 1999     |
| GR Smith   | Appointed 30 <sup>th</sup> June 1999    |
| FC Whitby  |   |
| W Geuecke  | Resigned 31 <sup>st</sup> March 1999    |
| T Hofmann  | Appointed 31 <sup>st</sup> March 1999   |
| F Sturm    |   |
| RR Freeman | Resigned 31 <sup>st</sup> January 2000  |
| BJ Molloy  | Appointed 31 <sup>st</sup> January 2000 |

The interests of RL Burt and FC Whitby in the share capital of Trifik Services Limited are disclosed in the directors' report of that company. Trifik Services Limited holds 68% of the share capital of the company.

**Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**PJ Simmonds**  
*Secretary*

Kingsclere Road  
Basingstoke  
Hampshire  
RG21 6XJ

## 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 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 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 company and to prevent and detect fraud and other irregularities.



Arlington Business Park  
Theale  
Reading RG7 4SD  
United Kingdom

## **Report of the auditors to the members of Lansing Linde Triflik Limited**

We have audited the financial statements on pages 5 to 20.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 regarding directors' remuneration and transactions with the company is not disclosed.

### **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 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 company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

2 August, 2000

**Profit and loss account**  
*for the year ended 31 December 1999*

|  | Note | 1999<br>£000  | 1998<br>£000 |
|--|------|---------------|--------------|
| <b>Turnover</b>                                      | 2    | <b>22,418</b> | 23,783       |
| Cost of sales  |      | (18,887)      | (20,899)     |
| <b>Gross profit</b>                                  |      | <b>3,351</b>  | 2,884        |
| Selling and distribution costs                       |      | (1,357)       | (847)        |
| Administrative expenses                              |      | (1,571)       | (1468)       |
| <b>Operating profit</b>                              | 3-5  | <b>603</b>    | 569          |
| Interest receivable and similar income               | 6    | 26            | 25           |
| Interest payable and similar charges                 | 7    | (590)         | (780)        |
| <b>Profit on ordinary activities before taxation</b> |      | <b>39</b>     | (186)        |
| Tax on profit/(loss) on ordinary activities          | 8    | -             | -            |
| <b>Retained profit/(loss) for the financial year</b> |      | <b>39</b>     | (186)        |
| Retained profit brought forward                      |      | 192           | 378          |
| <b>Retained profit carried forward</b>               |      | <b>231</b>    | 192          |

The profit for the year represents the results of continuing operations.

**Statement of total recognised gains and losses**  
*for the year ended 31 December 1999*

|  | 1999<br>£000 | 1998<br>£000 |
|--|--------------|--------------|
| <b>Profit/(loss) for financial year</b>                    | <b>39</b>    | (186)        |
| Unrealised surplus on revaluation of properties            | -            | 416          |
| <b>Total recognised gains and losses since last report</b> | <b>39</b>    | 230          |

**Balance sheet**  
*at 31 December 1999*

|   | <i>Note</i> | <b>1999</b><br><b>£000</b> | <b>1998</b><br><b>£000</b> | <b>£000</b>         |
|---|-------------|----------------------------|----------------------------|---------------------|
| <b>Fixed assets</b>   |             |                            |                            |                     |
| Tangible assets   | 9           | 5,939                      |                            | 6,237               |
| Intangible assets   | 10          | 13                         |                            | 25                  |
|   |             | <u>5,952</u>               |                            | <u>6,262</u>        |
| <b>Current assets</b>   |             |                            |                            |                     |
| Residual interest in assets transferred for only part of their life | 11          | 3,843                      | 3,779                      |                     |
| Stocks  | 12          | 5,364                      | 4,640                      |                     |
| Debtors   | 13          | 4,971                      | 8,930                      |                     |
| Cash at bank and in hand  |             | 34                         | 306                        |                     |
|   |             | <u>14,212</u>              | <u>17,655</u>              |                     |
| <b>Creditors: amounts falling due within one year</b>               | 14          | <u>8,991</u>               | <u>8,866</u>               |                     |
| <b>Net current assets</b>   |             | <u>5,221</u>               |                            | <u>8,789</u>        |
| <b>Total assets less current liabilities</b>                        |             | <u>11,173</u>              |                            | <u>15,051</u>       |
| <b>Creditors: amounts falling due after more than one year</b>      | 15          | <u>9,093</u>               |                            | <u>13,010</u>       |
| <b>Net Assets</b>   |             | <u><u>2,080</u></u>        |                            | <u><u>2,041</u></u> |
| <b>Capital and reserves</b>   |             |                            |                            |                     |
| Called up share capital   | 17          | 1,433                      |                            | 1,433               |
| Property revaluation reserve  | 18          | 416                        |                            | 416                 |
| Profit and loss account   | 18          | 231                        |                            | 192                 |
| <b>Equity shareholders' funds</b>                                   | 19          | <u><u>2,080</u></u>        |                            | <u><u>2,041</u></u> |

These financial statements were approved by the board of directors on 21<sup>st</sup> June 2000 and were signed on its behalf by:



**RL Burt**  
*Director*



## Cash flow statement

For the year ended 31 December 1999

|  | Note | 1999<br>£000 | 1998<br>£000 |
|--|------|--------------|--------------|
| <b>Reconciliation of operating profit to net cash flow from operating activities</b> |      |              |              |
| Operating profit   |      | 603          | 569          |
| Amortisation of goodwill   |      | 12           | 12           |
| Depreciation charges   |      | 1,178        | 1,162        |
| (Profit)/loss on sale of fixed assets  |      | (1)          | (3)          |
| (Increase)/decrease in stocks  |      | (724)        | 710          |
| Decrease/(increase) in debtors   |      | 3,915        | (5,923)      |
| (Decrease)/Increase in creditors   |      | (300)        | 4,372        |
| <b>Net cash inflow from operating activities</b>                                     |      | <b>4,683</b> | <b>898</b>   |

## Cash flow statement

|   |       |         |         |
|---|-------|---------|---------|
| Cash flow from operating activities             |       | 4,683   | 898     |
| Returns on investments and servicing of finance | 21(a) | (11)    | (462)   |
| Taxation  |       | 44      | 32      |
| Capital expenditure                             | 21(b) | (653)   | (1,716) |
| Cash inflow/(outflow) before financing          |       | 4,063   | (1,248) |
| Financing                                       | 21(c) | (4,335) | 1,063   |
| (Decrease)/increase in cash in the period       |       | (272)   | (185)   |

## Reconciliation of net cash flow to movement in net debt

|  |    |          |          |
|--|----|----------|----------|
| (Decrease)/increase in cash in the period    |    | (272)    | (185)    |
| Loans acquired                               |    | -        | (1,855)  |
| Cash to repay loans                          |    | 4,052    | 400      |
| Change in net debt resulting from cash flows |    | 3,780    | (1,640)  |
| Finance lease repayment                      |    | 57       | 54       |
| Movement in net debt in the period           |    | 3,837    | (1,586)  |
| Net debt at the start of the period          |    | (10,068) | (8,482)  |
| Net debt at the end of the period            | 22 | (6,231)  | (10,068) |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, (modified to include the revaluation of land and buildings).

#### *Depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                                      |   |                             |
|--------------------------------------|---|-----------------------------|
| Freehold properties                  | - | 50 years                    |
| Leasehold improvements               | - | 10 years                    |
| Plant & machinery & office equipment | - | 5 years                     |
| Motor vehicles                       | - | 4 to 5 years                |
| Hire fleet                           | - | 7 years to a 10 % residual. |

#### *Tax liabilities on future sale of properties*

The surplus on revaluation of properties in 1999 is included in reserves. No provision has been made for any tax which might be payable in the event of future sales of assets at book values. However, as the properties are held for the long term, it is not anticipated that a significant proportion of this contingent liability will become payable in the near future. The potential liability is quantified in note 24 to the financial statements.

#### *Goodwill*

Goodwill arising on the acquisition of the long term hire fleet and its associated income has been capitalised and amortised over a period of 5 years which, in the opinion of the directors, represents a prudent estimate of the period over which the company will derive direct economic benefit from the goodwill.

#### *Pension costs*

The company contributes to pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately in trustee administered funds. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

The cost is calculated by the company's actuaries. Variations from regular cost are allocated over the expected remaining service lives of current employees in the scheme.

The company also contributes to a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme.

## Notes (continued)

### *Stocks*

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

### *Deferred taxation*

Deferred taxation is potentially payable on the difference between the written down values of fixed assets for financial statement and taxation purposes and on other timing differences. Where the directors consider that an actual liability will arise in the foreseeable future, provision is made to cover that amount, using the liability method, at the prevailing corporation tax rate.

### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

### *Sale and repurchase agreements*

Where the company has entered into an arrangement whereby fork lift trucks and ancillary equipment are sold to a finance house which leases them on to the end user, and on termination of the lease the company repurchases the equipment, the company has treated the transaction as having disposed of the equipment for only part of its life.

The company's residual interest in the value of the equipment together with related obligations to repurchase them at a guaranteed residual value is therefore recognised in the balance sheet. In addition, the profit on sale is deferred in proportion to the residual value retained. This is recognised on the ultimate sale of the equipment following its repurchase from the finance house or, in the event that the equipment is not repurchased, on termination of the lease arrangement between the finance house and the end user.

## 2 Turnover

The turnover and pre-tax profit is all attributable to the principal activity of the company and all goods have been sold and services provided in the United Kingdom.

## Notes (continued)

### 3 Operating profit

|                                       | 1999<br>£000 | 1998<br>£000 |
|---------------------------------------|--------------|--------------|
| <i>The operating profit is stated</i> |              |              |
| <i>after charging:</i>                |              |              |
| Auditors' remuneration:               |              |              |
| Audit work                            | 17           | 16           |
| Other                                 | 1            | 8            |
| Depreciation                          | 1,178        | 1,162        |
| Amortisation of goodwill              | 12           | 12           |
| Loss on disposal of fixed Assets      | -            | -            |
| Plant hire                            | 244          | 174          |
|                                       | <hr/>        | <hr/>        |
| <i>after crediting:</i>               |              |              |
| Profit on disposal of fixed assets    | 1            | 3            |
|                                       | <hr/>        | <hr/>        |

### 4 Remuneration of directors

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| Directors' emoluments:                                  |              |              |
| Remuneration  | 304          | 301          |
| Company contributions to money purchase pension schemes | 43           | 148          |
|   | <hr/>        | <hr/>        |
|   | 347          | 449          |
|   | <hr/>        | <hr/>        |

The aggregate of emoluments of the highest paid director was £138,572 (1998: £136,591) and company pension contributions of £19,304 (1998: £72,276) were made to a money purchase scheme on his behalf.

|  | Number of directors |       |
|--|---------------------|-------|
|  | 1999                | 1998  |
| Retirement benefits are accruing to the following number of directors under: |                     |       |
| Money purchase schemes   | 3                   | 3     |
|  | <hr/>               | <hr/> |

## Notes (continued)

### 5 Staff numbers and costs

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

|                        | Number of employees |            |
|------------------------|---------------------|------------|
|                        | 1999                | 1998       |
| Office and management  | 20                  | 22         |
| Service and production | 174                 | 166        |
|                        | <u>194</u>          | <u>188</u> |

The aggregate payroll costs of these persons were as follows:

|                       | 1999<br>£000 | 1998<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | 4,315        | 4,147        |
| Social security costs | 397          | 355          |
| Pension contributions | 233          | 234          |
|                       | <u>4,945</u> | <u>4,736</u> |

### 6 Interest receivable and similar income

|                       | 1999<br>£000 | 1998<br>£000 |
|-----------------------|--------------|--------------|
| Bank deposit interest | <u>26</u>    | <u>25</u>    |

### 7 Interest payable and similar charges

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| On hire purchase and finance lease agreements | 36           | 48           |
| On loan interest                              | 554          | 732          |
|   | <u>590</u>   | <u>780</u>   |

## Notes (continued)

### 8 Taxation

|  | 1999<br>£000 | 1998<br>£000 |
|--|--------------|--------------|
| UK corporation tax credit at 21% (1998: 21 %) on the profit/loss for the year on ordinary activities | -            | -            |
| Under provision in respect of prior years  | -            | -            |
|  | <u>-</u>     | <u>-</u>     |
|  | <u>-</u>     | <u>-</u>     |

### 9 Tangible fixed assets

|                          | Freehold<br>property<br>£000 | Leasehold<br>improvements<br>£000 | Plant and<br>machinery<br>and office<br>equipment<br>£000 | Motor<br>Vehicles<br>£000 | Hire<br>Fleet<br>£000 | Total<br>£000 |
|--------------------------|------------------------------|-----------------------------------|---|---------------------------|-----------------------|---------------|
| <b>Cost or valuation</b> |                              |                                   |   |                           |                       |               |
| At 1 January             | 2,146                        | 30                                | 741   | 1,787                     | 5,711                 | 10,415        |
| Additions in the year    | 20                           | -                                 | 110   | 355                       | 1,060                 | 1,545         |
| Disposals in the year    | -                            | -                                 | (2)   | (160)                     | (1,122)               | (1,284)       |
| At 31 December 1998      | <u>2,166</u>                 | <u>30</u>                         | <u>849</u>  | <u>1,982</u>              | <u>5,649</u>          | <u>10,676</u> |
| <b>Depreciation</b>      |                              |                                   |   |                           |                       |               |
| At 1 January             | 147                          | 11                                | 502   | 1,008                     | 2,510                 | 4,178         |
| Provided during year     | 70                           | 3                                 | 89  | 325                       | 691                   | 1,178         |
| Disposals in the year    | -                            | -                                 | -   | (124)                     | (495)                 | (619)         |
| At 31 December 1998      | <u>217</u>                   | <u>14</u>                         | <u>591</u>  | <u>1,209</u>              | <u>2,706</u>          | <u>4,737</u>  |
| <b>Net book value</b>    |                              |                                   |   |                           |                       |               |
| At 31 December 1999      | <u>1,949</u>                 | <u>16</u>                         | <u>258</u>  | <u>773</u>                | <u>2,943</u>          | <u>5,939</u>  |
| At 31 December 1998      | <u>1,999</u>                 | <u>19</u>                         | <u>239</u>  | <u>779</u>                | <u>3,201</u>          | <u>6,237</u>  |

Included within tangible fixed assets are assets with a net book value of £513,871 (1998: £599,690) held under hire purchase contracts. The depreciation for the period on these assets was £115,274 (1998: £132,266).

On 28 September 1998, an external valuation of the freehold property was carried out. These were valued on the basis of open market value.

The historical cost of the properties stated at valuation is approximately £1,246,000.

## Notes (continued)

### 10 Intangible fixed assets

|                                      | Goodwill<br>£000 |
|--------------------------------------|------------------|
| <i>Cost</i>                          |                  |
| As at 1 January and 31 December 1999 | 75               |
|                                      | <hr/>            |
| <i>Amounts written off</i>           |                  |
| At 1 January 1999                    | 50               |
| Charged for the year                 | 12               |
|                                      | <hr/>            |
| At 31 December 1999                  | 62               |
|                                      | <hr/>            |
| <i>Net book value</i>                |                  |
| At 31 December 1999                  | 13               |
|                                      | <hr/>            |
| At 31 December 1998                  | 25               |
|                                      | <hr/>            |

### 11 Residual interest in assets transferred for only part of their life

|  | 1999<br>£000 | 1998<br>£000 |
|--|--------------|--------------|
| <i>Fork lift trucks and ancillary equipment:</i> |              |              |
| Due within one year (note 14)                    | 492          | 512          |
| Due within two to five years (note 15)           | 3,214        | 3,043        |
| Due within six to ten years (note 15)            | 137          | 224          |
|  | <hr/>        | <hr/>        |
|  | 3,843        | 3,779        |
|  | <hr/>        | <hr/>        |

### 12 Stocks

|                        | 1999<br>£000 | 1998<br>£000 |
|------------------------|--------------|--------------|
| New and used equipment | 2,629        | 1,690        |
| Spares and consumables | 2,735        | 2,950        |
|                        | <hr/>        | <hr/>        |
|                        | 5,364        | 4,640        |
|                        | <hr/>        | <hr/>        |

In the opinion of the directors, the replacement cost of stocks is not materially different from the above amounts.

**Notes (continued)**

**13 Debtors**

|                                | 1999<br>£000 | 1998<br>£000 |
|--------------------------------|--------------|--------------|
| Trade debtors                  | 3,478        | 7,916        |
| Prepayments and accrued income | 1,519        | 996          |
| Corporation tax recoverable    | (26)         | 18           |
|                                | <u>4,971</u> | <u>8,930</u> |

**14 Creditors: amounts falling due within one year**

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| Loan  | 314          | 400          |
| Obligations under repurchase agreements (notes 11 & 24) | 492          | 512          |
| Finance leases - hire purchase                          | 209          | 231          |
| Trade creditors   | 6,096        | 6,060        |
| Amount due to parent company                            | -            | 4            |
| Interest payable  | 1,284        | 731          |
| Other tax and social security                           | 394          | 731          |
| Other creditors and accruals                            | 202          | 197          |
|   | <u>8,991</u> | <u>8,866</u> |



## Notes (continued)

### 15 Creditors: amounts falling due after more than one year

|   | 1999<br>£000 | 1998<br>£000  |
|---|--------------|---------------|
| Other loans   | 5,588        | 9,554         |
| Finance leases - hire purchase                          | 154          | 189           |
| Obligations under repurchase agreements (notes 11 & 24) | 3,351        | 3,267         |
|   | <u>9,093</u> | <u>13,010</u> |

Analysis of loan falling due after more than one year:

|                           | 1999<br>£000 | 1998<br>£000 |
|---------------------------|--------------|--------------|
| Repayable in 2 to 5 years | <u>5,588</u> | <u>9,554</u> |

This amount represents two loans of £800,000 and £4,788,000 respectively. The loan of £800,000 is repayable over 10 years in equal quarterly instalments. This loan bears interest at 1½% above base rate and is secured upon the freehold unit 1. The loan of £4,788,000 is not repayable until 2002 and is secured by a fixed and floating charge over the company's assets. This loan bears interest at 1½% above base rate and has no fixed terms of repayment.

Analysis of finance lease creditors falling due after more than one year:

|                           | 1999<br>£000 | 1998<br>£000 |
|---------------------------|--------------|--------------|
| Repayable in 1 to 2 years | 127          | 123          |
| Repayable in 2 to 5 years | 27           | 66           |
|                           | <u>154</u>   | <u>189</u>   |

### 16 Deferred taxation

|                                | 1999             |                    | 1998             |                    |
|--------------------------------|------------------|--------------------|------------------|--------------------|
|                                | Provided<br>£000 | Unprovided<br>£000 | Provided<br>£000 | Unprovided<br>£000 |
| Accelerated capital allowances | -                | 105                | -                | 151                |
| Other timing differences       | -                | 29                 | -                | 45                 |
|                                | <u>-</u>         | <u>134</u>         | <u>-</u>         | <u>196</u>         |

## Notes (continued)

### 17 Share capital

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| <i>Authorised</i>                         |              |              |
| Ordinary shares of £1 each                | 10,000       | 10,000       |
| <i>Allotted, called up and fully paid</i> |              |              |
| Ordinary shares of £1 each                | 1,433        | 1,433        |

### 18 Reserves

|                              | Revaluation<br>Reserve<br>£000 | Profit<br>and loss<br>account<br>£000 |
|------------------------------|--------------------------------|---------------------------------------|
| At beginning of year         | 416                            | 192                                   |
| Retained profit for the year | -                              | 39                                    |
| At the end of the year       | 416                            | 231                                   |

### 19 Reconciliation of movement in equity shareholders' funds

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| Profit for the year                         | 39           | (186)        |
| Other recognised gains relating to the year | -            | 416          |
| Net addition to equity shareholders' funds  | 39           | 230          |
| Opening equity shareholders' funds          | 2,041        | 1,811        |
| Closing equity shareholders' funds          | 2,080        | 2,041        |

## Notes (continued)

### 20 Pension costs

The company contributes to one defined benefits scheme and two money purchase schemes in the UK, the assets of which are held in separate trustee administered funds.

The total pension cost for the company was £232,507 (1998: £233,774). The pension cost has been assessed in accordance with the advice of qualified actuaries, who are not officers of the company, using the actuarial assumptions set out below. Variations in cost have been spread over the estimated remaining working lifetime of the members of each scheme.

The most recent formal actuarial valuation was at 1 January 1997.

At the date of the most recent actuarial valuation, the total market value of the Lansing Linde Pension Scheme's assets was £77.7m and that the actuarial value of those assets represented 101% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments which was expected to be 8.25% per annum, and the rates of increase in salaries and pensions which was expected to average an increase of 5.5% per annum and that present and future pensions would increase at guaranteed rates.

**Notes (continued)**

**21 Analysis of cash flows for headings netted in the cash flow statement**

**(a) Returns on investments and servicing of finance**

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| Interest received                                 | 26           | 25           |
| Interest paid                                     | -            | (439)        |
| Interest element of finance lease rental payments | (37)         | (48)         |
|   | <u>(11)</u>  | <u>(462)</u> |

**(b) Capital expenditure**

|   | 1999<br>£000 | 1998<br>£000   |
|---|--------------|----------------|
| Payments to acquire tangible fixed assets | (1,319)      | (2,188)        |
| Sale of tangible fixed assets             | 666          | 472            |
|   | <u>(653)</u> | <u>(1,716)</u> |

**(c) Financing**

|  | 1998<br>£000   | 1997<br>£000 |
|--|----------------|--------------|
| Capital element of finance lease rental payments | (283)          | (392)        |
| Repayment of amounts borrowed                    | (4,052)        | (400)        |
| New loan borrowings                              | -              | 1,855        |
|  | <u>(4,335)</u> | <u>1,063</u> |

## Notes (continued)

### 22 Analysis of net debt

|                          | At beginning of<br>year<br>£000 | Cash flow<br>£000 | Other non cash<br>changes<br>£000 | At end of year<br>£000 |
|--------------------------|---------------------------------|-------------------|-----------------------------------|------------------------|
| Cash in hand, at bank    | 306                             | (272)             | -                                 | 34                     |
| Debt due after one year  | (9,554)                         | 3,652             | 314                               | (5,588)                |
| Debt due within one year | (400)                           | 400               | (314)                             | (314)                  |
| Finance leases           | (420)                           | 57                |                                   | (363)                  |
| <b>Total</b>             | <b>(10,068)</b>                 | <b>3,837</b>      | <b>-</b>                          | <b>(6,231)</b>         |

### 23 Commitments

|  | 1999<br>Land and<br>buildings<br>£000 | 1998<br>Land and<br>Buildings<br>£000 |
|--|---------------------------------------|---------------------------------------|
| Operating leases which expire:         |                                       |                                       |
| Within one year                        | -                                     | -                                     |
| In the second to fifth years inclusive | 72                                    | -                                     |
| Over five years                        | -                                     | 65                                    |
|  | <b>72</b>                             | <b>65</b>                             |

### 24 Obligations and contingent liabilities

The company is committed to buy back certain assets sold to a finance company who subsequently leased them to third parties, at guaranteed residual values which amounted to £5,127,637 as at 31 December 1999 (1998: £4,957,549). These obligations are included within creditors in the accounts at their discounted values (see note 14 and note 15).

There is a contingent liability in respect of tax on property sales if these were to be made at current valuation. The maximum amount of such contingent liability would not exceed £124,800 at 31 December 1999 (1998: £124,800).

## Notes (continued)

### 25 Related party transactions

Lansing Linde Trifik Limited is a main dealer solely for Lansing Linde forklift trucks.

These forklift trucks, and the spare parts therefor, are supplied exclusively by wholly owned subsidiaries of Linde Holdings Limited.

Linde Holdings Limited owns 32% of the issued ordinary share capital of Lansing Linde Trifik Limited.

The transactions with Linde Holdings Limited and its wholly owned subsidiaries during the year were as follows:

|                              | 1999<br>£000 | 1998<br>£000 |
|------------------------------|--------------|--------------|
| Purchase of goods for resale | 11,888       | 9,968        |
| Purchase of property         | -            | 784          |
| Interest payable on loans    | 1,284        | 731          |

The balances outstanding within these related parties at the year end were as follows:

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| Trade creditors due within one year       | 4,293        | 3,681        |
| Other creditors due within one year       | 1,598        | 1,131        |
| Other creditors due in more than one year | 5,588        | 9,554        |

### 26 Ultimate parent company

The ultimate parent company is Trifik Services Limited, registered in England and Wales. Copies of the group accounts of Trifik Services Limited can be obtained from Lansing Linde Trifik Limited, Unit 1, Charlton Mead Lane, Hoddesdon, Hertfordshire, EN11 0DJ.