

COMPANY No.

FC. 007478 NM

A.H.P. TRAILERS LIMITED

REPORT AND ACCOUNTS

30 JUNE 1998

HORWATH CLARK WHITEHILL
Chartered Accountants

Foley House
123 Stourport Road
Kidderminster
Worcestershire
DY11 7BW



**A.H.P. TRAILERS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1998**

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A.H.P. TRAILERS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 1998

The directors present their report and the accounts for the year ended 30 June 1998.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £79,780.

The directors do not recommend the payment of dividend. An interim dividend on ordinary shares of £30,928 (£103.09 per share) for the year ended 30th June 1999 was paid on 25th November 1998.

REVIEW OF THE BUSINESS

The principal activity of the company continues to be the manufacture, sale and repair of articulated trailers.

Turnover increased by 25% during the year under review and, together with an improvement in margins achieved, reflected a further good trading performance. Whilst the directors anticipate a period of difficult prevailing trading conditions, they consider that the company is in a good position to take advantage of opportunities which may arise.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	Ordinary shares of £1 each	
	30 June 1998	1 July 1997
A. H. Phillips	291	291
Miss G. T. Phillips	-	-

YEAR 2000

The directors have undertaken but have not yet completed an assessment of the risk that the company's business and operations will be adversely affected by what is known as the Year 2000 problem (or millennium bug). They are currently identifying the primary areas of risk and how they will affect each area of the business.

Once they have completed their assessment of the risks, they will replace or modify, as appropriate, the company's systems and equipment and, where necessary, identify alternative customers, suppliers and service providers to ensure that there is no significant disruption to the company's operations.

When the directors have completed their assessment of the risks and formulated their compliance programme, they will quantify the cost associated with that programme. Any necessary resources are expected to be made available from the company's normal operating budgets and, in view of the importance of the Year 2000 compliance programme, those resources, if necessary, will be reallocated from other planned expenditure.

AUDITORS

Hacker Young resigned as auditors during the year and Horwath Clark Whitehill were appointed in their stead.

In accordance with section 385 of the Companies Act 1985, a resolution proposing the reappointment of Horwath Clark Whitehill, as auditors of the company, will be put to the members at the Annual General Meeting.

By order of the board

Miss G. T. Phillips
Secretary

G. Phillips

26th April 1999

A.H.P. TRAILERS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the directors' responsibilities for the accounts from those of the auditors, as stated in their report.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss for that period. In preparing those accounts, 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume 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 accounts 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.

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
A.H.P. TRAILERS LIMITED**

We have audited the accounts on pages 4 to 10, which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As stated on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 the information in the accounts.

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Foley House
123 Stourport Road
Kidderminster
Worcestershire
DY11 7BW

26th April 1999

Horwath Clark Whitehill

**HORWATH CLARK WHITEHILL
Chartered Accountants
and Registered Auditors**

A.H.P. TRAILERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1998

	Notes	1998 £	1997 £
TURNOVER	2	3,076,160	2,461,827
COST OF SALES		2,602,781	2,142,358
GROSS PROFIT		473,379	319,469
Administrative expenses		354,400	239,120
OPERATING PROFIT	3/4	118,979	80,349
Interest receivable		5,319	5,723
Interest payable	5	(6,389)	(1,868)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		117,909	84,204
TAXATION	6	38,129	7,395
PROFIT FOR THE FINANCIAL YEAR		79,780	76,809
Dividends		-	20,618
RETAINED PROFIT		79,780	56,191
RETAINED PROFIT BROUGHT FORWARD		286,200	230,009
RETAINED PROFIT CARRIED FORWARD		365,980	286,200

The profit and loss account contains all the gains and losses recognised in the current and preceding year and the profits retained in these years represent the only movement in shareholders' funds.

The notes on pages 6 to 10 form part of these accounts.

A.H.P. TRAILERS LIMITED
BALANCE SHEET
30 JUNE 1998

	Notes	£	1998	£	1997 £
FIXED ASSETS					
Tangible assets	7			343,015	51,208
CURRENT ASSETS					
Stocks	8	209,878			239,553
Debtors	9	805,312			580,272
Cash at bank and in hand		543			123,033
		<u>1,015,733</u>			<u>942,858</u>
CREDITORS: amounts falling due within one year	10	<u>991,963</u>			<u>703,384</u>
NET CURRENT ASSETS				<u>23,770</u>	<u>239,474</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>366,785</u>	<u>290,682</u>
CREDITORS: amounts falling due after more than one year	11			<u>505</u>	<u>4,182</u>
NET ASSETS				<u>366,280</u>	<u>286,500</u>
CAPITAL AND RESERVES					
Called up share capital	12			300	300
Profit and loss account				<u>365,980</u>	<u>286,200</u>
SHAREHOLDERS' FUNDS				<u>366,280</u>	<u>286,500</u>

Approved by the board on 26th April 1999
and signed on its behalf

A H Phillips

Director

The notes on pages 6 to 10 form part of these accounts.

A.H.P. TRAILERS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1998

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	-	2%	straight line
Plant and machinery	-	20%	straight line
Motor vehicles	-	20%	straight line
Leasehold property improvements	-	20%	straight line

1.3 Finance leases and hire purchase agreements

Where the company has entered into lease finance and hire purchase agreements, the obligations are shown as part of the borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. The interest is charged to the profit and loss account on a straight line basis.

1.4 Operating leases

Rentals payable under operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account as incurred.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes a relevant proportion of overheads.

1.6 Deferred taxation

Deferred taxation is accounted for on all material timing differences except where the directors consider that no tax liability is likely to arise during the foreseeable future and where there is no indication that, after this period, the situation is likely to change.

1.7 Pension costs

The company operates a defined contribution scheme. The scheme is funded by contributions from the company which are invested separately from the company's assets and are charged to the profit and loss account as payable.

2. TURNOVER

Turnover represents the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets.

All turnover originated in the United Kingdom.

A.H.P. TRAILERS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1998

3. STAFF COSTS (including directors)

	1998 £	1997 £
Wages and salaries	481,933	411,141
Social security costs	48,932	42,199
Other pension costs	12,614	10,990
	<u>543,479</u>	<u>464,330</u>

The average number of employees (including executive directors) during the year was:

	No.	No.
Production	14	13
Selling and distribution	1	1
Administration	3	3
	<u>18</u>	<u>17</u>

	£	£
Directors' emoluments, excluding pension contributions	<u>127,536</u>	<u>94,598</u>
Directors' pension contributions	<u>12,614</u>	<u>10,990</u>
Number of directors accruing benefits under money purchase pension schemes	<u>2</u>	<u>1</u>

4. OPERATING PROFIT

	1998 £	1997 £
This is stated after charging/(crediting):		
Amortisation of tangible fixed assets	6,872	718
Depreciation of tangible fixed assets:		
owned by the company	3,069	3,199
held under finance leases	5,930	5,930
Profit on disposal of fixed assets	-	(12,400)
Auditors' remuneration	2,625	2,500
Operating lease rentals:		
plant and machinery	6,882	7,014
rent	23,800	12,500
	<u>23,800</u>	<u>12,500</u>

5. INTEREST PAYABLE

	1998 £	1997 £
On bank loans and overdrafts	5,930	629
Interest on overdue tax	-	44
Finance lease and hire purchase interest	459	1,195
	<u>6,389</u>	<u>1,868</u>

A.H.P. TRAILERS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1998

6. TAXATION

	1998 £	1997 £
Current year taxation		
UK corporation tax at 24.5% (1997 - 23.75%)	38,153	7,395
Prior years' taxation		
UK corporation tax	(24)	-
	<u>38,129</u>	<u>7,395</u>

7. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery £	Motor vehicles £	Improvements to leasehold £	Total £
Cost:					
1 July 1997	30,000	21,566	114,472	590	166,628
Additions	307,678	-	-	-	307,678
30 June 1998	<u>337,678</u>	<u>21,566</u>	<u>114,472</u>	<u>590</u>	<u>474,306</u>
Depreciation:					
1 July 1997	8,550	19,532	86,984	354	115,420
Charge for year	6,754	645	8,354	118	15,871
30 June 1998	<u>15,304</u>	<u>20,177</u>	<u>95,338</u>	<u>472</u>	<u>131,291</u>
Net Book Values					
30 June 1998	<u>322,374</u>	<u>1,389</u>	<u>19,134</u>	<u>118</u>	<u>343,015</u>
<i>30 June 1997</i>	<u>21,450</u>	<u>2,034</u>	<u>27,488</u>	<u>236</u>	<u>51,208</u>

At 30 June 1998, the amount of £322,374 relates entirely to freehold land and buildings.

Included in the amount of £343,015 above are the following relating to assets which are subject to finance lease and hire purchase agreements.

	1998 £	1997 £
Cost	29,650	29,650
Accumulated depreciation	17,790	11,860
Net book value	<u>11,860</u>	<u>17,790</u>
Depreciation charged during the year	<u>5,930</u>	<u>5,930</u>

8. STOCKS

	1998 £	1997 £
Raw materials	136,428	142,811
Work in progress	36,450	91,742
Finished goods	37,000	5,000
	<u>209,878</u>	<u>239,553</u>

A.H.P. TRAILERS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1998

9. DEBTORS

	1998 £	1997 £
Due within one year		
Trade debtors	670,994	503,177
Amounts due from related company	30,495	54,279
Loan	17,889	-
Other debtors	2,605	5,240
Prepayments	28,329	17,576
	<u>750,312</u>	<u>580,272</u>
Due after more than one year		
Loan	55,000	-
	<u>805,312</u>	<u>580,272</u>

10. CREDITORS:

Amounts falling due within one year

	1998 £	1997 £
Bank overdraft	75,921	20,672
Loan	3,032	3,032
Net obligations under finance lease and hire purchase contracts	645	7,341
Trade creditors	699,291	568,417
Amounts owed to related company	5,502	-
Corporation tax payable	33,153	24
Other taxes and social security costs	145,901	45,230
Proposed dividend	1,236	21,236
Other creditors	5,643	15,699
Accruals	21,639	21,733
	<u>991,963</u>	<u>703,384</u>

Obligations under finance leases and hire purchase contracts are secured by the assets to which they relate.

Included in bank loans and overdrafts is an amount of £60,833 due to Barclays Bank plc who hold a legal charge over the land and premises at Heathmill Road, Wombourne.

11. CREDITORS:

Amounts falling due after more than one year

	1998 £	1997 £
Loans	505	3,537
Net obligations under finance lease and hire purchase contracts	-	645
	<u>505</u>	<u>4,182</u>
Included within the above are amounts falling due as follows:		
In 1 - 2 years:		
Loan instalments	505	3,032
Finance lease and hire purchase obligations	-	645
	<u>-</u>	<u>-</u>
In 2 - 5 years:		
Loan instalments	-	505
	<u>-</u>	<u>505</u>

A.H.P. TRAILERS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1998

12. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
300 ordinary shares of £1 each	<u>300</u>	<u>300</u>

13. CAPITAL COMMITMENTS

	1998 £	1997 £
Contracted for but not provided in these accounts	<u>NIL</u>	<u>300,000</u>

14. REVENUE COMMITMENTS

At 30 June 1998 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1998 £	1997 £	1998 £	1997 £
Expiring:				
In more than 5 years	<u>24,500</u>	<u>12,500</u>	<u>6,882</u>	<u>7,014</u>

15. RELATED PARTY TRANSACTIONS

During the year the company provided goods and services to the value of £18,750 to A.H.P. Trailer Rental Limited, a company in which the directors hold 100% of the issued share capital. Management charges of £2,000 were also received from that company. A balance of £30,495 was due from A.H.P. Trailer Rental Limited at the year end.