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A.H.P. TRAILERS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2001**



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A.H.P. TRAILERS LIMITED

COMPANY INFORMATION

DIRECTORS

A.H. Phillips
Miss G.T. Phillips

SECRETARY

Miss G.T. Phillips

COMPANY NUMBER

FC007478

REGISTERED OFFICE

Oak Walk
St. Peter
Jersey
Channel Islands
JE3 7EF

AUDITORS

Horwath Clark Whitehill
Chartered Accountants & Registered Auditors
Foley House
123 Stourport Road
Kidderminster
Worcestershire
DY11 7BW

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DIRECTORS' REPORT
For the year ended 30 June 2001

The directors present their report and the financial statements for the year ended 30 June 2001.

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 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;
- 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 (Jersey) Law 1991. 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 AND REVIEW OF BUSINESS

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

The trading profit for the year after taxation was £54,999.

The directors are pleased with the performance of the business during the year and believe they are in a position to take advantage of any opportunities which may arise in the future.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	<u>30/6/01</u>	<u>1/7/00</u>
A.H. Phillips	291	291
Miss G.T. Phillips	-	-

AUDITORS

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.

This report was approved by the board on 16 November 2001 and signed on its behalf.

G. Phillips

Miss G.T. Phillips
Secretary

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

We have audited the financial statements of A.H.P. Trailers Limited for the year ended 30 June 2001 set out on pages 3 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards.

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 (Jersey) Law 1991. 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT 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 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the (Jersey) Law 1991.

Horwath Clark Whitehill

Horwath Clark Whitehill

Chartered Accountants
Registered Auditors

Foley House
123 Stourport Road
Kidderminster
Worcestershire
DY11 7BW

19 November 2001

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2001

	Note	2001 £	2000 £
TURNOVER	1, 2	2,280,515	1,965,812
Cost of sales		<u>(1,879,676)</u>	<u>(1,651,863)</u>
GROSS PROFIT		400,839	313,949
Administrative expenses		<u>(334,955)</u>	<u>(332,687)</u>
Other operating income		<u>6,383</u>	<u>12,042</u>
OPERATING PROFIT/(LOSS)	3	72,267	(6,696)
Interest receivable		<u>2,879</u>	<u>5,993</u>
Interest payable	6	<u>(15,658)</u>	<u>(16,749)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		59,488	(17,452)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	7	(4,489)	119
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	14	54,999	(17,333)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 5 to 10 form part of these financial statements.

BALANCE SHEET
As at 30 June 2001

	Note	£	2001	£	£	2000	£
FIXED ASSETS							
Tangible fixed assets	8			346,487			322,839
CURRENT ASSETS							
Stocks	9	217,079			230,015		
Debtors	10	662,226			433,124		
Cash at bank and in hand		66,323			36,283		
				<u>945,628</u>			<u>699,422</u>
CREDITORS: amounts falling due within one year	11	(941,904)			(730,815)		
NET CURRENT ASSETS/(LIABILITIES)				<u>3,724</u>			<u>(31,393)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>350,211</u>			<u>291,446</u>
CREDITORS: amounts falling due after more than one year	12			(9,055)			(5,289)
NET ASSETS				<u><u>341,156</u></u>			<u><u>286,157</u></u>
CAPITAL AND RESERVES							
Called up share capital	13			300			300
Profit and loss account	14			340,856			285,857
SHAREHOLDERS' FUNDS - All Equity				<u><u>341,156</u></u>			<u><u>286,157</u></u>

The financial statements were approved by the board on 16 November 2001 and signed on its behalf.

A.H. Phillips
Director



The notes on pages 5 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2001

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	2%	straight line
Plant and machinery	-	20%	straight line
Motor vehicles	-	20%	straight line
Fixtures, fittings and equipment	-	20%	straight line

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

1.5 Operating leases

Rentals applicable to 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.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to the manufacture, sale and repair of articulated trailers.

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2001

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2001	2000
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	12,470	15,564
- held under finance leases	8,850	2,800
Auditors' remuneration	3,500	3,000
Operating lease rentals:		
- plant and machinery	4,393	5,558
- land and buildings	24,500	24,500
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2001	2000
	£	£
Wages and salaries	429,077	422,773
Social security costs	43,977	33,834
Other pension costs	13,232	13,315
	<u> </u>	<u> </u>
	486,286	469,922
	<u> </u>	<u> </u>

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
Production	13	13
Selling and distribution	1	1
Administration	3	3
	<u> </u>	<u> </u>
	17	17
	<u> </u>	<u> </u>

5. DIRECTORS' REMUNERATION

	2001	2000
	£	£
Emoluments	139,801	164,327
	<u> </u>	<u> </u>
Company pension contributions to money purchase pension schemes	12,000	12,000
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 2 directors (2000 - 2) in respect of money purchase pension schemes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2001

6. INTEREST PAYABLE

	2001 £	2000 £
On bank loans and overdrafts	14,825	15,619
On finance leases and hire purchase contracts	833	401
Other interest payable	-	729
	<u>15,658</u>	<u>16,749</u>

7. TAXATION

	2001 £	2000 £
UK corporation tax		
Current tax on income for the period	4,489	-
Adjustments in respect of prior periods - corporation tax	-	(119)
	<u>4,489</u>	<u>(119)</u>

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 July 2000	337,678	35,566	69,472	-	442,716
Additions	-	4,000	30,250	10,719	44,969
Disposals	-	-	(41,772)	-	(41,772)
At 30 June 2001	<u>337,678</u>	<u>39,566</u>	<u>57,950</u>	<u>10,719</u>	<u>445,913</u>
Depreciation					
At 1 July 2000	28,812	24,019	67,046	-	119,877
Charge for the year	6,754	3,947	8,475	2,144	21,320
On disposals	-	-	(41,771)	-	(41,771)
At 30 June 2001	<u>35,566</u>	<u>27,966</u>	<u>33,750</u>	<u>2,144</u>	<u>99,426</u>
Net book value					
At 30 June 2001	<u>302,112</u>	<u>11,600</u>	<u>24,200</u>	<u>8,575</u>	<u>346,487</u>
At 30 June 2000	<u>308,866</u>	<u>11,547</u>	<u>2,426</u>	<u>-</u>	<u>322,839</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2001

8. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2001 £	2000 £
Plant and machinery	8,400	11,200
Motor vehicles	24,200	-
	<u>32,600</u>	<u>11,200</u>

9. STOCKS

	2001 £	2000 £
Raw materials	108,029	102,632
Work in progress	95,630	66,560
Finished goods and goods for resale	13,420	60,823
	<u>217,079</u>	<u>230,015</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

10. DEBTORS

	2001 £	2000 £
Due after more than one year		
Other debtors	-	29,530
Due within one year		
Trade debtors	626,849	326,407
Other debtors	2,250	17,421
Prepayments and accrued income	30,774	29,046
Amounts due from related parties	2,353	30,720
	<u>662,226</u>	<u>433,124</u>

Included in other debtors due within 1 year is a loan of £Nil (2000 - £96) to A. H. Phillips, a director. The maximum outstanding during the year was £96.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2001

11. CREDITORS:
Amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	266,149	191,311
Net obligations under finance leases and hire purchase contracts	13,733	3,733
Trade creditors	569,647	455,472
Corporation tax	4,489	-
Social security and other taxes	61,989	58,712
Other creditors	8,571	7,201
Accruals and deferred income	17,326	14,386
	<u>941,904</u>	<u>730,815</u>

Included within bank loans and overdrafts is £264,549 (2000 : £171,566) secured on the company's freehold land and buildings at Heathmill Road, Wombourne.

12. CREDITORS:
Amounts falling due after more than one year

	2001	2000
	£	£
Net obligations under finance leases and hire purchase contracts	<u>9,055</u>	<u>5,289</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2001	2000
	£	£
Between two and five years	<u>9,055</u>	<u>5,289</u>

13. SHARE CAPITAL

	2001	2000
	£	£
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>

14. RESERVES

	£
Profit and loss account	
At 1 July 2000	285,857
Profit retained for the year	54,999
	<u>340,856</u>
At 30 June 2001	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2001

15. OPERATING LEASE COMMITMENTS

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Within 1 year	24,500	-	-	-
After more than 5 years	-	24,500	-	5,558
	<u>24,500</u>	<u>24,500</u>	<u>-</u>	<u>5,558</u>