

SC34905

Stewart Plant Sales Limited

Directors' report and financial statements

31 December 2004



STEWART PLANT SALES LIMITED

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Company no. SC 34905

STEWART PLANT SALES LIMITED

DIRECTORS' REPORT - YEAR ENDED 31 DECEMBER 2004

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2004.

Principal activity

The principal activity of the company during the year was the distribution of equipment to construction and industrial markets.

Review of business

A strong demand for new machines and increases in after sales support activities have enabled the company to substantially increase turnover and profits despite ever increasing costs. Trading in the current year has started well and the directors expect sales volumes and profits to again be satisfactory.

Dividend

The directors do not recommend the payment of a dividend (2003 - £Nil).

Directors and directors' interests

The directors who served during the year were as follows :

S C J Bryant
T F Morrison
J Kilby
D M Donoghue

No director held any beneficial interest in the issued share capital of the company at the beginning or end of the financial year.

The interests of the directors in the share capital of Scot JCB (Holdings) Limited are disclosed in its financial statements.

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the board



T F Morrison
Secretary

6 April 2005

STEWART PLANT SALES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEWART PLANT SALES LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our consent in writing.

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 1985. 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

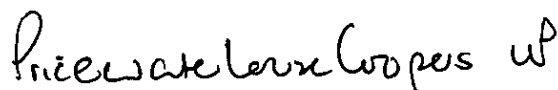
Basis of audit opinion

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 at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester

6 April 2005

STEWART PLANT SALES LIMITED

PROFIT AND LOSS ACCOUNT - YEAR ENDED 31 DECEMBER 2004

	Year Ended 31 December <u>2004</u> <u>£'000</u>	Year Ended 31 December <u>2003</u> <u>£'000</u>
TURNOVER (Note 2)	8,321	6,423
Cost of Sales	<u>(7,011)</u>	<u>(5,371)</u>
GROSS PROFIT	1,310	1,052
Administration Expenses	<u>(951)</u>	<u>(824)</u>
OPERATING PROFIT (Note 3)	359	228
Bank Interest Payable	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	359	228
Taxation (Note 6)	<u>(83)</u>	<u>(47)</u>
RETAINED PROFIT FOR THE YEAR (Note 14)	<u>276</u>	<u>181</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than those shown above.

All items dealt with in the profit and loss account relate to continuing operations.

The notes on pages 7 to 13 form part of these financial statements.


STEWART PLANT SALES LIMITED

BALANCE SHEET AT 31 DECEMBER 2004

	31 December 2004		31 December 2003	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
FIXED ASSETS				
Tangible Assets (Note 7)		53		72
CURRENT ASSETS				
Stocks (Note 8)	1,064		582	
Debtors (Note 9)	2,205		1,373	
Cash at bank and in hand	<u>-</u>		<u>118</u>	
	3,269		2,073	
CREDITORS				
Amounts falling due within one year (Note 10)	<u>(1,647)</u>		<u>(752)</u>	
NET CURRENT ASSETS		<u>1,622</u>		<u>1,321</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,675		1,393
PROVISIONS FOR LIABILITIES AND CHARGES (Note 12)		<u>(18)</u>		<u>(12)</u>
NET ASSETS		<u>1,657</u>		<u>1,381</u>
CAPITAL AND RESERVES				
Called up equity share capital (Note 13)		20		20
Other reserves (Note 14)		23		23
Profit and loss account (Note 14)		1,614		1,338
EQUITY SHAREHOLDERS' FUNDS (Note 15)		<u>1,657</u>		<u>1,381</u>

The notes on pages 7 to 13 form part of these financial statements.

These financial statements were approved by the board of directors on 6 April 2005 and were signed on its behalf by :


S C J Bryant
Director

STEWART PLANT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements are prepared on the going concern basis in accordance with the Companies Act 1985 and applicable accounting standards, under the historical cost convention.

Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided at rates which are calculated to write down the cost of the assets by annual instalments as follows :

Vehicles	-	33% reducing balance
Fixtures and fittings	-	20% and 33% straight line and 25% reducing balance

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is the expenditure in the normal course of business in bringing the item to its present location and condition. Net realisable value is the actual or estimated selling price less all further costs to completion, selling and distribution expenses.

Work in progress is valued at the cost of direct materials and labour in bringing the product to its present condition.

Taxation

The charge for taxation is based on the result for the year. In accordance with FRS 19, deferred tax has been recognised as a liability or asset if transactions have occurred at the balance sheet date which give rise to an obligation to pay more taxation in future or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future years is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

STEWART PLANT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004 (CONTINUED)

Pension costs

The group operates defined contribution pension schemes for its employees, including directors. Contributions to the schemes are charged to the profit and loss account as incurred.

2 TURNOVER

Turnover represents the amount derived from the provision of goods and services under the company's principal activity, which is carried out in the UK, and is stated net of value added tax. Turnover is recognised at the point of supply.

3 OPERATING PROFIT

Operating profit is stated after charging / (crediting) :

	31 December 2004 £'000	31 December 2003 £'000
Depreciation	25	33
Auditors remuneration - audit	6	6
- other services	2	2
Staff Costs (Note 4)	957	889
Gain on sale of tangible fixed assets	(1)	(1)

4 STAFF COSTS AND NUMBERS

	31 December 2004 £'000	31 December 2003 £'000
Wages and salaries	842	787
Social security costs	85	75
Pension costs	30	27
	<u>957</u>	<u>889</u>

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

	Number of employees	
	31 December 2004	31 December 2003
Office and management	17	17
Sales and technical	18	18
	<u>35</u>	<u>35</u>

STEWART PLANT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004 (CONTINUED)

5 REMUNERATION OF DIRECTORS

	31 December 2004 £'000	31 December 2003 £'000
Aggregate emoluments of the directors	-	-

Emoluments of the directors have been borne by the company's fellow subsidiary, Scot JCB Limited, without recharge. Aggregate emoluments are disclosed in the financial statements of Scot JCB Limited and those of the parent company.

6 TAXATION

	31 December 2004 £'000	31 December 2003 £'000
UK corporation tax	93	51
Adjustments in respect of previous period	(11)	(5)
Current tax charge	82	46
Deferred tax charge	1	1
Tax on profit on ordinary activities	83	47

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below :

Profit on ordinary activities before tax	359	228
Profit on ordinary activities multiplied by standard rate in the UK - 30% (2003 - 30%)	108	68
Effects of :		
Expenses not deductible for tax purposes	2	1
Accelerated capital allowances and other timing differences	(1)	(1)
Adjustments in respect of group relief	(16)	(17)
Adjustments in respect of prior period	(11)	(5)
Current tax charge for the year	82	46

Factors which may affect future tax charges :

The directors expect the rate of tax charged to be maintained at the current level in future years.

STEWART PLANT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004 (CONTINUED)

7 TANGIBLE FIXED ASSETS

	Vehicles	Fixtures and Fittings	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
COST			
At beginning of year	193	54	247
Additions	9	-	9
Disposals	(39)	(7)	(46)
At end of year	<u>163</u>	<u>47</u>	<u>210</u>
DEPRECIATION			
At beginning of year	135	40	175
Charge for year	22	3	25
Disposals	(36)	(7)	(43)
At end of year	<u>121</u>	<u>36</u>	<u>157</u>
NET BOOK VALUE			
At 31 December 2004	<u>42</u>	<u>11</u>	<u>53</u>
At 31 December 2003	<u>58</u>	<u>14</u>	<u>72</u>

8 STOCKS

	31 December 2004	31 December 2003
	<u>£'000</u>	<u>£'000</u>
Consumables and goods for resale	1,020	549
Work in progress	44	33
	<u>1,064</u>	<u>582</u>

STEWART PLANT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004 (CONTINUED)

9 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2004 £'000	31 December 2003 £'000
Trade debtors	1,245	922
Deferred tax	11	12
Amounts owed by parent and fellow subsidiaries	927	430
Prepayments and accrued income	22	9
	<u>2,205</u>	<u>1,373</u>
The deferred tax asset has arisen as follows :		
Origination and reversal of timing differences (Accelerated capital allowances and other)	11	12
Total	<u>11</u>	<u>12</u>

There are no unprovided deferred tax assets.

10 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2004 £'000	31 December 2003 £'000
Bank overdraft	20	-
Trade creditors	1,483	662
Amounts owed to parent and fellow subsidiaries	34	23
Accruals and deferred income	12	9
Taxation and social security	98	58
	<u>1,647</u>	<u>752</u>

11 CONTINGENT LIABILITY

The company has granted a Bond and Floating Charge over all of its assets in favour of Barclays Bank PLC and has guaranteed the overdrafts of its parent and all fellow subsidiary companies.

STEWART PLANT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004 (CONTINUED)

12 PROVISIONS FOR LIABILITIES AND CHARGES

	Warranty Provision
	<u>£'000</u>
At beginning of year	12
Charged in the year	18
Utilised / released in the year	(12)
At end of year	<u>18</u>

13 CALLED UP EQUITY SHARE CAPITAL

	31 December 2004 <u>£'000</u>	31 December 2003 <u>£'000</u>
Authorised, allotted, called up and fully paid 20,000 ordinary shares of £1 each	<u>20</u>	<u>20</u>

14 RESERVES

	31 December 2004 <u>£'000</u>	31 December 2003 <u>£'000</u>
Profit and loss account		
At 1 January	1,338	1,157
Retained profit for the year	276	181
At 31 December	<u>1,614</u>	<u>1,338</u>
Capital redemption reserve		
At 1 January 2004 and 31 December 2004		<u>23</u>

15 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	31 December 2004 <u>£'000</u>	31 December 2003 <u>£'000</u>
Opening equity shareholders' funds	1,381	1,200
Retained profit for the year	276	181
Closing equity shareholders' funds	<u>1,657</u>	<u>1,381</u>

STEWART PLANT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004 (CONTINUED)

16 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2004 (31 December 2003 - £Nil).

17 PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund and the company's contributions to the scheme are shown in the pension charge in Note 4.

18 FINANCIAL REPORTING STANDARD NO 1 (REVISED)

The company is a wholly owned subsidiary of Scot JCB (Holdings) Limited and is included in the consolidated financial statements of Scot JCB (Holdings) Limited, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No.1 (Revised).

19 RELATED PARTY DISCLOSURES

In accordance with the exemptions available under Financial Reporting Standard No.8 "Related Party Disclosures", the Company has not disclosed details of transactions with its parent undertaking, as the consolidated accounts of Scot JCB (Holdings) Limited, in which the company is included, are available at the address shown in Note 20 below.

20 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Scot JCB (Holdings) Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Scot JCB (Holdings) Limited financial statements can be obtained from its registered office at Townmill Road, Glasgow G31 3AR.