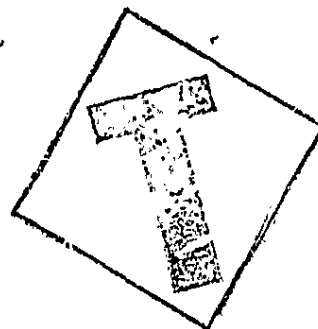


Directors' Report and Accounts

CHARTHIRE SERVICES PLC

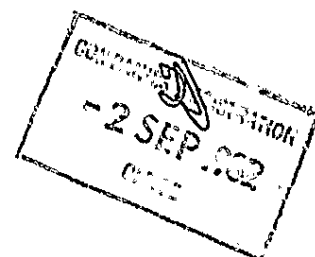
31 March 1982

66722/45



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Ernst & Whinney



CHARTHIRE SERVICES PLC

NOTICE OF MEETING

1

Notice is hereby given that the third annual general meeting of Charthire Services PLC will be held at Central Hotel, Glasgow on Thursday 22 July 1982 at 12 Noon to transact the following business:

1. To receive and adopt the directors' report and the audited accounts for the year ended 31 March 1982.
2. To re-elect A J Murray the director retiring by rotation under Article 97.
3. To re-appoint the auditors.
4. To authorise the directors to fix the remuneration of the auditors.

By order of the board.

W J Cassidie

Secretary

Whitehouse Road,
Stirling.

1st June 1982

NOTES

- 1 Any member of the company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.
- 2 This notice is sent to preference shareholders for information.

DIRECTORS' REPORT

Directors: S D Lyon BSc (Chairman)
S M Duff MA FCIT (Managing Director)
J D T Greenall
G Homer
A J Murray CA

Secretary: W McCreadie BAcc CA

Registered office: Whitehouse Road, Springkerse Industrial Estate,
Stirling.

The directors present their report for the year ended 31 March 1982.

ACCOUNTS AND DIVIDENDS

The directors submit the audited accounts of the company for the year ended 31 March 1982. The profit for the year amounts to £76,682 and is dealt with in the profit and loss account.

The directors propose that no dividend will be paid as cumulative losses have not been cleared. During the current financial year arrears of preference dividend amounting to £23,000 net of Advanced Corporation Tax (ACT) had accumulated and a further £11,500 net of ACT had accrued.

PRINCIPAL ACTIVITIES AND TRADING REVIEW

The activities of the company consist of the provision of a range of services to the transport and distribution industry throughout the United Kingdom.

DIRECTORS

The directors of the company during the year ended 31 March 1982 were those listed above.

In accordance with the Articles of Association, Mr A J Murray is the director retiring by rotation and being eligible offers himself for re-election.

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1967, the directors' interests in the share capital of the company are as follows:

	31 March 1981		31 March 1982	
	Preference	Ordinary	Preference	Ordinary
S D Lyon	1,000	4,000	1,000	4,000
S M Duff	2,200	8,800	2,200	8,800
G Homer	650	2,600	650	2,600
J D T Greenall	*2,170	*8,680	*1,170	*4,680
A J Murray	200	800	200	800

* Includes 300 preference and 1,200 ordinary shares held on a non-beneficial basis.

CHARTHIRE SERVICES PLC

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (Continued)

No change in any of these interests had been notified to the company by 1 June 1982.

Management fees were charged by R C Greig & Co., a firm of which J D T Greenall is a partner, and by Arnwood Consultants Limited, of which A J Murray is a director. In each case these fees amounted to £375.

No other contract or arrangement entered into by the company in which any director is interested has subsisted during the year.

CLOSE COMPANY PROVISIONS

The company is not a close company within the meaning of the Income and Corporation Taxes Act 1970.

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 14 of the Companies Act 1976 a resolution proposing their reappointment will be submitted at the annual general meeting.

By order of the board.

W J Greenall

Secretary

1st June 1982

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of Charthire Services PLC set out on pages 5 to 13. These have been prepared under the historical cost convention. Our audit has been carried out in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs at 31 March 1982 and of the profit, changes in accumulated losses, and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Ernst & Whinney


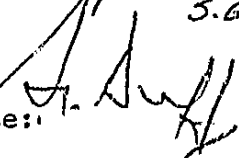
Glasgow 1 June 1982

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1982

	Note	1982 £	1981 £
TURNOVER	2	3,772,348	1,895,550
OPERATING PROFIT/(LOSS)	3	224,673	(235,277)
Interest receivable	5	19,348	50,044
		244,021	(185,233)
Interest payable	6	159,539	89,103
PROFIT/(LOSS) BEFORE TAXATION		84,432	(274,336)
Taxation	7	7,750	-
PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS		£ 76,682	£ (274,336)
STATEMENT OF ACCUMULATED LOSSES			
Balance at 31 March 1981		(295,742)	(21,406)
Profit/(Loss) for year		76,682	(274,336)
Balance at 31 March 1982		£ (219,060)	£ (295,742)

BALANCE SHEET - 31 MARCH 1982

	Note	1982 £	1981 £
ASSETS EMPLOYED			
FIXED ASSETS	8	4,321,499	2,877,267
CURRENT ASSETS			
Stocks		97,010	62,974
Debtors		1,028,129	520,595
Short term deposits		127,000	218,000
Bank balances and cash		1,225	775
		<u>1,253,364</u>	<u>802,344</u>
CURRENT LIABILITIES			
Creditors & provisions		712,157	309,466
Taxation		7,750	-
Bank overdraft		40,606	54,514
		<u>760,513</u>	<u>363,980</u>
NET CURRENT ASSETS		492,851	438,364
		<u>£4,814,350</u>	<u>£3,315,631</u>
FUNDS EMPLOYED			
SHAREHOLDERS' FUNDS			
Share Capital	9	2,000,000	2,000,000
Share premium account		905	905
Accumulated loss		(219,060)	(295,742)
		<u>1,781,845</u>	<u>1,705,163</u>
CAPITAL BORROWINGS	10	3,032,505	1,610,468
		<u>£4,814,350</u>	<u>£3,315,631</u>


 3.6.82

 Date: 1st June 1982

)
)
) Directors
)
)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1982

	1982 £	1981 £
SOURCE OF FUNDS		
FROM OPERATIONS		
Profit/(loss) before taxation	84,432	(274,336)
Depreciation and amortisation	811,946	530,507
Proceeds from sale of fixed assets	57,362	21,734
	<hr/>	<hr/>
Total generated from operations	953,740	277,905
OTHER SOURCES		
Capital borrowings	2,142,254	1,201,058
	<hr/>	<hr/>
	3,095,994	1,478,963
	<hr/>	<hr/>
FUNDS APPLIED		
Purchase of fixed assets	2,313,540	1,548,040
Capital borrowings repaid	720,217	382,446
	<hr/>	<hr/>
	3,033,757	1,930,486
	<hr/>	<hr/>
INCREASE/(DECREASE) IN WORKING CAPITAL	£ 62,237	£(451,523)
	<hr/>	<hr/>
Arising from movements in:		
Stocks	34,036	16,168
Debtors	507,534	225,961
Creditors (excluding taxation)	(402,691)	(147,541)
Short term deposits	(91,000)	(527,000)
Bank balances and cash	14,358	(19,111)
	<hr/>	<hr/>
	£ 62,237	£(451,523)
	<hr/>	<hr/>

NOTES ON THE ACCOUNTS - 31 MARCH 1982

1. ACCOUNTING POLICIES

a) Accounting convention

The accounts are prepared under the historical cost convention.

b) Depreciation and amortisation

Freehold land is not depreciated. The cost of other fixed assets is written off by equal monthly instalments over their expected useful lives, or in the case of leasehold improvements, over the period of the lease.

Freehold buildings	50 years
Leasehold improvements	Period of lease
Hire vehicles	3 - 7 years
Plant and equipment	3 - 7 years

Construction in progress and vehicles in progress are not depreciated until commissioned.

c) Leased assets

Where assets are financed by leasing agreements which give rights similar to ownership (finance leases) the assets are treated as though they had been purchased outright and are depreciated in the same manner as owned assets.

The capital element of lease payments is recorded as capital borrowing and amortised over the primary period of the lease. Financing costs are written off as incurred.

Credit is taken for lease and hire income on a straight line basis over the period of the lease.

d) Repairs and maintenance

The cost of repairs and maintenance of each contract hire vehicle, which the company has a responsibility to maintain, is equalised over the effective useful life of the vehicle. This is achieved by providing a proportion of the income earned in the initial period of the vehicle's life and releasing the provision to the profit and loss account over the remaining years.

e) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items, cost being the invoiced value of goods.

NOTES ON THE ACCOUNTS - 31 MARCH 1982

1. ACCOUNTING POLICIES (Continued)

f) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

g) Pension benefits

Pension benefits are funded over the employees' periods of service. The company's contributions are based on the most recent actuarial valuation of the fund.

2. TURNOVER

Turnover consists of the value of sales, services and lease rental income exclusive of value added tax.

3. OPERATING PROFIT/(LOSS) is stated after charging:

	1982 £	1981 £
Depreciation and amortisation	811,946	530,507
Hire of plant and equipment	6,416	6,310
Auditors' remuneration	7,000	7,500
Emoluments of directors (note 4)	39,203	48,704
Compensation payment to director for loss of office	-	15,540
	<hr/>	<hr/>

NOTES ON THE ACCOUNTS - 31 MARCH 1982

4. EMOLUMENTS OF DIRECTORS

	1982 £	1981 £
Fees	-	-
Remuneration, including pension contributions	39,203	48,704
	<u>39,203</u>	<u>48,704</u>

The emoluments, excluding pension contributions, of directors of the company are detailed as follows:

	1982 £	1981 £
Chairman	21,181	22,181
Highest paid director	<u>21,181</u>	<u>22,181</u>
Other directors in scale	Number of directors	
Not more than £5,000	2	1
£ 5,001 to £10,000	-	1
£10,001 to £15,000	1	1

5. INTEREST RECEIVABLE

	1982 £	1981 £
Interest receivable on short term deposits	19,348	50,044
	<u>19,348</u>	<u>50,044</u>

6. INTEREST PAYABLE

	1982 £	1981 £
Interest payable in respect of lease finance	159,589	89,103
	<u>159,589</u>	<u>89,103</u>

7. TAXATION

Due to trading losses available no provision for taxation is necessary in respect of trading profit. However, provision has been made in respect of taxation on interest receivable.

NOTES ON THE ACCOUNTS - 31 MARCH 1982

8. FIXED ASSETS

	Freehold propert- ies £	Leasehold improve- ments £	Hire vehicles £	Plant & Machinery £	Total £
Cost					
At 31 March 1981	488,463	106,793	2,799,962	214,803	3,610,021
Additions during year	13,773	1,771	2,196,862	101,134	2,313,540
Disposals	(29,950)	-	(69,842)	(4,354)	(104,146)
At 31 March 1982	472,286	108,564	4,926,982	311,583	5,819,415
Depreciation and amortisation					
At 31 March 1981	6,743	3,247	678,441	44,323	732,754
Charge for year	6,491	4,981	753,680	46,794	811,946
Disposals	-	-	(44,021)	(2,763)	(46,784)
At 31 March 1982	13,234	8,228	1,388,100	88,354	1,497,916
Net book amount At 31 March 1982	£459,052	£100,336	£3,538,882	£223,229	£4,321,499
Net book amount At 31 March 1981	£481,720	£103,546	£2,121,521	£170,480	£2,877,267

The net book amount of fixed assets at 31 March 1982 comprises:

	Freehold properties		Leasehold improvements	
	1982	1981	1982	1981
	£	£	£	£
Land	180,000	180,000	-	-
Buildings	279,052	301,720	100,336	103,546
	£459,052	£481,720	£100,336	£103,546
	Hire Vehicles		Plant and machinery	
	1982	1981	1982	1981
	£	£	£	£
Owned	344,146	492,141	116,604	104,683
Leased	3,158,223	1,620,541	106,625	65,797
Vehicles in progress	36,513	8,839	-	-
	£3,538,882	£2,121,521	£223,229	£170,480

NOTES ON THE ACCOUNTS - 31 MARCH 1982

9. SHARE CAPITAL

	1982 £	Authorised, issued and fully paid 1981 £
11.5% Cumulative convertible preference shares of £1 each	400,000	400,000
1,600,000 Ordinary shares of £1 each	1,600,000	1,600,000
	<hr/>	<hr/>
	£2,000,000	£2,000,000
	<hr/>	<hr/>

10. CAPITAL BORROWING

	1982 £	1981 £
Amounts borrowed on finance leases	4,225,992	2,083,738
Amounts repaid	1,193,487	473,270
	<hr/>	<hr/>
At 31 March 1982	£3,032,505	£1,610,468
	<hr/>	<hr/>

The amount outstanding at 31 March 1982 includes £1,066,574 (1981 - £468,358) payable within one year.

Amounts repayable under finance lease commitments in subsequent periods are:

	1982 £	1981 £
1983 - 84	1,005,487	389,090
1984 - 85	653,032	230,790
1985 - 86	220,211	58,817
1986 - 87	70,830	7,072
1987 - 88	16,371	-

11. ARREARS OF PREFERENCE DIVIDEND

At 31 March 1982 preference dividends amounting to £23,000 net of Advanced Corporation Tax (ACT) were in arrears and in addition a further amount of £11,500 net of ACT had accrued.

NOTES ON THE ACCOUNTS " 31 MARCH 1982

12. CAPITAL COMMITMENTS

At 31 March 1982, the directors have authorised future capital expenditure which amounts to:

	1982 £	1981 £
Contracted		
Not contracted	388,000	224,000
	-	7,000

13. CONTINGENT LIABILITIES

There were no contingent liabilities.