

CHARTHIRE SERVICES PLC
ANNUAL REPORT & ACCOUNTS
1985
Registrar's Signing Copy

66722/ 71



CHARTHIRE SERVICES PLC

Directors:

Chairman: S.D. Lyon BSc

Managing Director: S.M. Duff MA FCIT

Executive Director: G. Homer

Executive Director/
Secretary: W. McCreadie BAcc CA

Non-Executive Directors: Prof. M.G. Christopher BA MSc PhD
J.D.T. Greenall
A.J. Murray CA

Registered Office: Whitehouse Road
Springkerse Industrial Estate
Stirling

Auditors: Ernst & Whinney

Solicitors: Dorman Jeffrey & Co

Bankers: Clydesdale Bank PLC

CHARTHIRE SERVICES PLC

NOTICE OF MEETING

Notice is hereby given that the sixth annual general meeting of Charthire Services PLC will be held at Post House Hotel, Corstorphine Road, Edinburgh on Wednesday 24 July 1985 at 12.00 noon to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the directors' report and the audited accounts for the year ended 31 March 1985.
2. To declare a Final dividend in respect of ordinary shares.
3. To re-elect as a director S D Lyon, a director retiring by rotation under Article 97.
4. To re-elect as a director J D T Greenall, a director retiring by rotation under Article 97.
5. To elect as a director Professor M G Christopher, a director appointed during the year and retiring under Article 104.
6. To re-appoint the auditors and to authorise the directors to fix the remuneration of the auditors.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolution which will be proposed as a special resolution:

"That the directors be and they are hereby empowered pursuant to sub-section 1 of section 95 of the Companies Act 1985 ("the Act") to allot equity securities (within the meaning of that Section) pursuant to the authority conferred by Paragraph A of the special resolution passed on 10 February 1983 as if sub-section (1) of Section 89 of the Act did not apply to any such allotment provided that such power shall be limited to the allotment of equity securities up to an aggregate nominal value of £100,000 and shall expire at the conclusion of the Annual General Meeting of the company next held after the passing of this resolution, save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after

such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power hereby conferred had not expired".

By Order of the Board.

Ch Z Euscombe

Secretary

Whitehouse Road
Stirling

6 June 1985

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. A member wishing to vote by proxy should complete the enclosed proxy form.
2. This notice is sent to preference shareholders for information.

CHARTHIRE SERVICES PLC

DIRECTORS' REPORT

The directors present their sixth annual report together with the financial statements for the year ended 31 March 1985.

RESULTS

	<u>£000</u>	<u>£000</u>
The profit after taxation and extraordinary item amounts to:-		283
From which deduct:-		
Preference dividend - paid 30 June 1984	11	
- paid 31 December 1984	23	
- payable 30 June 1985	<u>12</u>	46
Ordinary dividend - paid 26 July 1984 of 1p per share	35	
- proposed by directors of 2p per share	<u>69</u>	<u>104</u>
Balance of profit to be added to reserves		<u>133</u>

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

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

During the year the company developed a new site at Nottingham and built new offices on land already owned at Stirling.

CHARTHIRE SERVICES PLC

DIRECTORS' REPORT

SHARE CAPITAL

On 27 July 1984, 11,905 ordinary shares of £1 each were issued for cash at 105p per share. These were allotted to the Trustees of the Chathire Employee Share Scheme.

On 21 December 1984 a further 15,000 ordinary shares of £1 each were issued for cash at 105p per share.

FIXED ASSETS

During the period the group acquired new hire vehicles at a cost of £7,443,000 (1984 - £3,664,000).

DIRECTORS

The directors of the company during the year ended 31 March 1985 were those listed on page 1. Professor M.G. Christopher was appointed on 16 August, 1984.

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:-

	<u>31 March 1985</u>			<u>31 March 1984</u>		
	<u>Pref- erence</u>	<u>Ord- inary</u>	<u>Ordinary shares for which subscription rights held (a)</u>	<u>Pref- erence</u>	<u>Ord- inary</u>	<u>Ordinary shares for which subscription rights held (a)</u>
S.D. Lyon	1000	6500	1250	1000	6500	1250
S.M. Duff	2200	10300	27750	2200	10300	27750
G. Homer	650	4850	19125	650	4600	19000
W. McCreadie	-	1000	15250	-	500	15250
Prof. M.G. Christopher	-	5000	-	-	-	-
A.J. Murray	200	800	-	200	800	-

CHAKTHIRE SERVICES PLC

DIRECTORS' REPORT

DIRECTORS' INTERESTS (Contd...)

- (a) These figures comprise both the right to subscribe for ordinary shares as the result of holding existing ordinary shares with these rights and, options granted under the executive share option scheme.
- (b) No change in any of these interests had been notified to the company by 6 June 1985.

Under the employee share loan scheme, loans to directors were as follows:-

	Maximum balance during the year	Balance at 31 March 1985
	£	£
S.M. Duff	722	-
G. Homer	1,342	642
W. McCreadie	525	459

Management fees were charged by the firms associated with some of the non-executive directors and the amounts involved are included as directors' emoluments as appropriate in Note 5 to the Accounts.

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

EMPLOYEE INVOLVEMENT

It is a policy of the company to increase employees' understanding of its main objectives and to encourage employees to identify with, and to share in these objectives. In pursuit of this policy the company distributes accounts for employees which are explained to and discussed with them. The company operates an employee share scheme.

CHARITABLE SERVICES PLC

DIRECTORS' REPORT

DISABLED PERSONS

It is the company's policy to give full consideration to suitable applications for employment from disabled persons.

Opportunities also exist for employees of the company who become disabled to continue in their employment or to be trained for other positions within the company.

CLOSE COMPANY PROVISIONS

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

DONATIONS

Charitable donations were made during the year amounting to £1,360 (1984 - Nil).

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 384 of the Companies Act 1985 a resolution proposing their reappointment will be submitted to the annual general meeting.

By order of the Board



Secretary

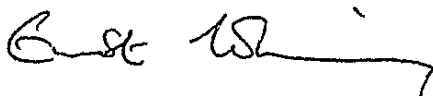
6 June 1985

AUDITORS REPORT

To the members of Charthire Services PLC

We have examined the accounts of Charthire Services PLC set out on pages 9 to 31. 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 of the company and of the group, so far as concerns members of the company, at 31 March 1985 and of the profit, changes in retained profits and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.



Glasgow

7th June 1985

CHARTHURST SERVICES PLC

CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended 31 March 1985

	Note	1985 <u>£'000</u>	1984 Restated <u>£'000</u>
TURNOVER	2/3	13,376	10,584
External charges		<u>(6,188)</u>	<u>(4,882)</u>
Staff Costs	4	(2,901)	(2,371)
Depreciation		(2,960)	(2,309)
		<u>(12,049)</u>	<u>(9,562)</u>
NET OPERATING INCOME	6	1,327	1,022
Interest receivable	7	5	43
Interest payable	8	(565)	(495)
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM		767	570
Taxation	9	<u>(287)</u>	<u>(56)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		480	514
Extraordinary item	10	(197)	(250)
PROFIT FOR THE FINANCIAL YEAR	11	<u>283</u>	<u>264</u>
Dividends	12	(150)	(138)
RETAINED PROFIT FOR THE YEAR		<u>133</u>	<u>126</u>
EARNINGS PER ORDINARY SHARE	13		
- actual tax charge		12.6p	14.1p
- taxed at a notional charge of 35%		13.1p	10.3p


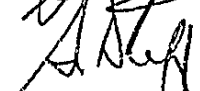
CHARTERED SERVICES PLC

STATEMENT OF CONSOLIDATED RETAINED PROFITS

	Note	1985 <u>£'000</u>	1984 <u>£'000</u>
RETAINED PROFITS AT 31 MARCH 1984			
As previously reported		150	24
Prior year adjustment	14	(89)	(89)
As restated		<u>61</u>	<u>(65)</u>
RETAINED PROFIT FOR THE YEAR		133	126
RETAINED PROFITS AT 31 MARCH 1985		<u>194</u>	<u>61</u>

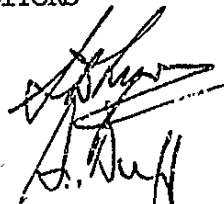
CHARTHIRE SERVICES PLC

CONSOLIDATED BALANCE SHEET - 31 MARCH 1985

	Note	1985 <u>£'000</u>	1984 Restated <u>£'000</u>
FIXED ASSETS			
Tangible assets	15	13,297	9,013
CURRENT ASSETS			
Stocks	17	178	168
Debtors	18	3,507	2,470
Cash at bank and in hand		4	3
		<u>3,689</u>	<u>2,641</u>
		<u>16,986</u>	<u>11,654</u>
CAPITAL AND RESERVES			
Called up share capital	19/20	3,861	3,834
Other reserves	21	8	7
Profit and loss account		194	61
		<u>4,063</u>	<u>3,902</u>
PROVISION FOR LIABILITIES AND CHARGES			
	22/23	981	474
CREDITORS			
	24	11,942	7,278
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">   </div> <div style="margin-left: 10px;">) Directors) </div> </div>			
6 June 1985			
		<u>16,986</u>	<u>11,654</u>

CHARTHIRE SERVICES PLC

BALANCE SHEET - 31 MARCH 1985

	Note	1985 <u>£'000</u>	1984 Restated <u>£'000</u>
FIXED ASSETS			
Tangible Assets	15	10,618	7,431
Investments	16	1,003	1,037
		<u>11,621</u>	<u>8,468</u>
CURRENT ASSETS			
Stocks	17	116	93
Debtors	18	2,345	1,770
Cash at bank and in hand		44	456
		<u>2,505</u>	<u>2,319</u>
		<u>14,126</u>	<u>10,787</u>
CAPITAL AND RESERVES			
Called up share capital	19/20	3,861	3,834
Other reserves	21	1	-
Profit and loss account		450	45
		<u>4,312</u>	<u>3,879</u>
PROVISION FOR LIABILITIES AND CHARGES			
	22/23	446	440
CREDITORS			
	24	9,368	6,468
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">  </div> <div>) Directors </div> </div>			
6 June 1985			
		<u>14,126</u>	<u>10,787</u>

CHARTHIRE SERVICES PLC

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS for the year ended 31 March 1985

	1985 <u>£'000</u>	1984 Restated <u>£'000</u>
SOURCE OF FUNDS		
FROM OPERATIONS		
Profit before taxation	767	570
Depreciation and amortisation of tangible fixed assets	2,960	2,309
Provision for repairs and maintenance	87	95
Less: Profit on sale of fixed assets	(154)	(55)
Total generated from operations	<u>3,660</u>	<u>2,919</u>
OTHER SOURCES		
Capital borrowings	7,498	3,246
Net proceeds of issue of shares	28	833
Proceeds of sale of tangible fixed assets	695	484
	<u>11,881</u>	<u>7,482</u>
FUNDS APPLIED		
Purchase of tangible fixed assets	7,785	5,174
Capital borrowings repaid	3,227	2,309
Dividend paid	115	115
Corporation Tax paid	47	50
Capital Reserve	-	(7)
	<u>11,174</u>	<u>7,941</u>
INCREASE/(DECREASE) IN WORKING CAPITAL	<u>707</u>	<u>(459)</u>
Arising from movements in:		
Stocks	10	70
Debtors	1,037	1,101
Creditors (excluding capital borrowings)	(342)	(592)
Investments	-	(913)
Bank balances and cash	2	(125)
	<u>707</u>	<u>(459)</u>

CHARHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Basis of consolidation

The consolidated accounts incorporate the accounts of the company and each of its subsidiaries for the year ended 31 March 1985. The results of subsidiaries acquired during the year are included in the consolidated profit and loss account from the effective date of acquisition.

(c) 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.

(d) Assets financed by lease and hire purchase agreements

Where assets are financed by leasing agreements which give rights similar to ownership (finance leases) or by hire purchase agreements, 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 the payments due under these agreements is recorded as capital borrowings and amortised over the primary period of the lease. Finance costs are allocated during the term of the agreement so as to produce a constant periodic rate of charge on the remaining balance of the obligation.

Rentals payable under operating lease agreements are charged on a straight line basis over the lease term.

Commercial vehicles which are hired to customers under operating lease agreements are included in fixed assets as distinct from debtors.

CHARITABLE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

1 ACCOUNTING POLICIES (Contd...)

(e) Repairs and maintenance

A proportion of the income earned in the initial period of the lives of certain contract hire vehicles is provided for release against the higher maintenance costs anticipated in the later years of those vehicles' effective lives.

(f) 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.

(g) Deferred taxation

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

(h) 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 ANALYSIS OF TURNOVER AND PROFITS BETWEEN ACTIVITIES AND MARKETS

The directors consider that the classes of business in which the group operates do not differ substantially from each other, and that the group supplies only one geographical market.

4 STAFF COSTS

	1985 <u>£'000</u>	1984 <u>£'000</u>
Wages and salaries	2,531	2,069
Social Security costs	266	225
Other pension costs	104	77
	<u>2,901</u>	<u>2,371</u>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

5 EMOLUMENTS OF DIRECTORS

	1985 £	1984 £
Remuneration, including pension contributions	103,146	71,348

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

	1985 £	1984 £
Chairman	3,750	4,000
Highest paid director	33,595	29,550

Other directors in scale	Number of directors	
Not more than £5,000	3	2
£5,001 to £10,000	-	1
£20,001 to £25,000	1	1
£25,001 to £30,000	1	-

6 NET OPERATING INCOME is stated after charging:

	1985 £'000	1984 £'000
Hire of plant and equipment	15	20
Auditors' remuneration	21	20
Directors' remuneration (note 5)	103	71
Allocation to Employee Share Scheme	15	12

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

7 INTEREST RECEIVABLE

	1985 <u>£'000</u>	1984 <u>£'000</u>
Interest receivable on short term deposits	5	43

8 INTEREST PAYABLE

	1985 <u>£'000</u>	1984 Restated <u>£'000</u>
Repayable within 5 years:		
Bank overdraft	44	7
Leasing and hire purchase finance	517	449
	<u>561</u>	<u>456</u>
Repayable after 5 years:		
Leasing finance	4	39
	<u>565</u>	<u>495</u>

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge for the year comprises:

	1985 <u>£'000</u>	1984 <u>£'000</u>
Deferred taxation provided (See Note 23)	287	-
Advance Corporation Tax on dividends	-	58
Adjustments in respect of prior years	-	(2)
	<u>287</u>	<u>56</u>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

10 EXTRAORDINARY ITEM

The extraordinary item of £197,000 (1984 - £250,000) represents a further transfer to deferred taxation in respect of accelerated capital allowances and capital lease repayments, arising as a result of the changes in the rates of capital allowances introduced by the 1984 Finance Act.

11 PROFIT FOR THE FINANCIAL YEAR

In accordance with the exemptions allowed by section 149 (5) of the Companies Act 1948 the company has not presented its own profit and loss account. Of the profit for the financial year, £555,000 (1984 - £248,000 as restated) has been dealt with in the accounts of the company. These figures are stated after allowing for an extraordinary item of £202,000 credit (1984 - £250,000 debit) in respect of deferred tax in the parent company.

12 DIVIDENDS

	1985 £'000	1984 £'000
Preference dividend - paid	34	92
- payable	12	12
Ordinary dividend - paid 1p per share	35	34
- proposed 2p per share	69	-
	<hr/> 150	<hr/> 138

13 EARNINGS PER ORDINARY SHARE

		1985	1984
Actual tax - basic	(a)	12.6p	14.1p
- fully diluted	(b)	12.2p	13.4p
Taxed at a notional charge of 35% - basic	(c)	13.1p	10.3p
- fully diluted	(c)	12.1p	9.6p

13 EARNINGS PER ORDINARY SHARE (Contd...)

- (a) Based on profit on ordinary activities after taxation and preference dividends for the year but before the extraordinary item, £434,000 (1984 - £468,000), divided by the weighted average number of called up shares in issue during the year, 3,447,000 (1984 - 3,314,000).
- (b) Based on profit on ordinary activities after taxation but assuming a full year's interest benefit (at 9.8% per annum before tax) on the proceeds of the exercise of the share options over 610,000 ordinary shares to be issued at 105p per share. Assumes all share options exercised, and preference shares converted to ordinary, at the start of the year to give a weighted average of shares of 4,457,000.
- (c) Based on the same figures as stated in (a) and (b) respectively with the exception that a notional tax charge of 35% was applied in lieu of the actual tax charge

14 PRIOR YEAR ADJUSTMENTS

- (a) Assets financed by lease and hire purchase agreements

The policy followed in accounting for repayments of finance leases and hire purchase agreements, which previously charged finance costs on a straight line basis, was changed during the year ended 31 March 1985 and such finance costs are now allocated so as to produce a constant periodic rate of charge on the remaining balance of the obligation. The new policy complies with the requirements of Statement of Standard Accounting Practice 21.

- (b) Repairs and maintenance provision

The company previously provided a maintenance reserve in respect of contract hire vehicles which was intended to equalise the effect of the increasing incidence of maintenance expenditure that arises as these vehicles get older. This policy was compatible with the company's former policy of allocating the interest charges on finance leases to accounting periods on a straight line basis but to continue this policy and to comply with Statement of Standard Accounting Practice 21 would have resulted in the contribution from contract hire vehicles being unduly depressed in their early years. Consequently, it has been decided to reduce the provision for future maintenance costs in the current year and all prior years have been restated accordingly.

CHARTHIRE SERVICE PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

14 PRIOR YEAR ADJUSTMENTS (Contd...)

(c) Effect of the changes in accounting policy

The impact of these changes on retained profits may be summarised as follows:

	<u>1984</u> <u>£000</u>	<u>1983 and</u> <u>prior years</u> <u>£000</u>
Leasing and hire purchase interest	(55)	(218)
Repairs and maintenance provision	55	129
	<u>---</u>	<u>---</u>
	-	(89)
	<u>---</u>	<u>---</u>

CHARTER SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

15 TANGIBLE FIXED ASSETS

GROUP	Freehold properties £'000	Leasehold improve- ments £'000	Hire vehicles £'000	Plant & machinery £'000	Total £'000
Cost					
At 31 March 1984	862	185	12,264	761	14,072
Additions during year	193	2	7,443	147	7,785
Cost of disposals	-	-	(2,061)	(60)	(2,121)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1985	1,055	187	17,646	848	19,736
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 31 March 1984	27	57	4,610	365	5,059
Charge for year	15	8	2,771	166	2,960
Relating to disposals	-	-	(1,544)	(36)	(1,580)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1985	42	65	5,837	495	6,439
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount at 31 March 1985	1,013	122	11,809	353	13,297
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount At 31 March 1984	835	128	7,654	396	9,013
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

15 TANGIBLE FIXED ASSETS (Contd...)

The net book amount of Group fixed assets at 31 March 1985 comprises:

	<u>Freehold properties</u>		<u>Leasehold improvements</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Land	240	180	-	-
Buildings	773	288	122	128
Construction in progress	-	367	-	-
	<u>1,013</u>	<u>835</u>	<u>122</u>	<u>128</u>
	<u>Hire vehicles</u>		<u>Plant and machinery</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Owned/Hire Purchase	2,361	2,059	304	312
Leased	9,442	5,532	49	84
Vehicles in progress	6	63	-	-
	<u>11,809</u>	<u>7,654</u>	<u>353</u>	<u>396</u>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

15 TANGIBLE FIXED ASSETS (Contd...)

COMPANY	Freehold properties £'000	Leasehold improve- ments £'000	Hire vehicles £'000	Plant & machinery £'000	Total £'000
Cost					
At 31 March 1984	862	116	9,621	491	11,090
Additions during year	193	2	5,648	125	5,968
Cost of disposal	-	-	(1,556)	(33)	(1,589)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1985	1,055	118	13,713	583	15,469
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 31 March 1984	27	20	3,390	222	3,659
Charge for year	15	6	2,213	115	2,349
Relating to disposals	-	-	(1,140)	(17)	(1,157)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1985	42	26	4,463	320	4,851
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount at 31 March 1985	1,013	92	9,250	263	10,618
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount at 31 March 1984	835	96	6,231	269	7,431
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book amount of Company tangible fixed assets at 31 March 1985 comprises:-

	Freehold properties		Leasehold improvements	
	1985	1984	1985	1984
	£'000	£'000	£'000	£'000
Land	240	180	-	-
Buildings	773	288	92	96
Construction in progress	-	367	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,013	835	92	96
	<hr/>	<hr/>	<hr/>	<hr/>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

15 TANGIBLE FIXED ASSETS (contd...)

	<u>Hire vehicles</u>		<u>Plant and machinery</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Owned/Hire Purchase	813	668	214	193
Leased	8,431	5,532	49	76
Vehicles in Progress	6	31	-	-
	<u>9,250</u>	<u>6,231</u>	<u>263</u>	<u>269</u>

16 FIXED ASSET INVESTMENTS

	<u>1985</u>	<u>1984</u>
	<u>£'000</u>	<u>£'000</u>
Subsidiary Companies		
Shares at cost	<u>1003</u>	<u>1037</u>

The principal subsidiary company which was wholly owned at 31 March 1985 was Cooper London Limited; a transport and distribution service company which is incorporated in England.

17 STOCKS

Stocks comprise new materials and consumables, being vehicle spare parts and fuel.

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

18 DEBTORS

	Group		Company	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Due within one year:				
Trade debtors	2,038	1,570	1,364	1,047
Amounts owed by group companies	-	-	102	41
Other debtors	937	453	502	381
Prepayments and accrued income	527	441	372	295
Loans to employees to purchase company shares	5	6	5	6
	<u>3,507</u>	<u>2,470</u>	<u>2,345</u>	<u>1,770</u>

19 CALLED UP SHARE CAPITAL

	Authorised		Issued and Fully Paid	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
11.5% Cumulative convertible redeemable preference shares of £1 each	400	400	400	400
Ordinary shares of £1 each	4,200	4,200	3,461	3,434
	<u>4,600</u>	<u>4,600</u>	<u>3,861</u>	<u>3,834</u>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

19 CALLED UP SHARE CAPITAL (contd...)

On 27 July 1984, 11,905 ordinary shares of £1 each were issued for cash at 105p per share.

On 21 December 1984 a further 15,000 ordinary shares of £1 each were issued for cash at 105p per share.

The premiums arising were credited to share premium account.

20 SHARE SUBSCRIPTION AND CONVERSION RIGHTS

Holders of 1,000,000 ordinary shares have the right to subscribe for 500,000 ordinary shares at a price of £1.05 per share on 31 July each year until 31 July 1986.

Certain executives have the right to subscribe for a total of 110,000 shares at £1.05 per share between 14 December 1987 and 14 December 1991.

The preference shares are convertible into ordinary shares at par at any time between 1 July and 10 August each year until 10 August 1989. Any shares not so converted shall be redeemed at par by 30 September 1989.

The trustees of the Charthire Services PLC Employee Share Scheme have been allocated £15,000 to subscribe for ordinary shares, at a price to be determined, on behalf of employees participating in the Scheme.

21 OTHER RESERVES

	<u>Share Premium</u> £000	<u>Group Capital Reserve</u> £000	<u>Total</u> £000	<u>Company Share Premium</u> £000
At 31 March 1984	-	7	7	-
Premium arising on issue of shares during the year	1	-	1	1
At 31 March 1985	1	7	8	1

The above reserves are not distributable.

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

22 PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	<u>1985</u>	<u>1984</u> Restated	<u>1985</u>	<u>1984</u> Restated
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Deferred taxation (note 23)	670	250	193	250
Other provisions:				
Repairs and maintenance	311	224	253	190
	<u>981</u>	<u>474</u>	<u>446</u>	<u>440</u>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

23 DEFERRED TAXATION

The amounts provided for deferred taxation and the full potential liability calculated by the liability method at a rate of 35% are set out below:

	<u>1985</u>		<u>1984</u>	
	<u>Amount</u> <u>Provided</u>	<u>Full</u> <u>Potential</u> <u>Liability</u>	<u>Amount</u> <u>Provided</u>	<u>Full</u> <u>Potential</u> <u>Liability</u>
	£000	£000	£000	£000
	<u>Group</u>			
Excess of capital allowances and capital lease repayments over related depreciation	1,128	1,266	250	1,219
Other timing differences and taxation losses	(328)	(356)	-	(450)
	800	910	250	769
Less: Advance corporation tax	(130)	(130)	-	(68)
	670	780	250	701
	<u>Company</u>			
Excess of capital allowances and capital lease repayments over related depreciation	602	740	250	696
Other timing differences and taxation losses	(279)	(307)	-	(327)
	323	433	250	369
Less: Advance corporation tax	(130)	(130)	-	(68)
	193	303	250	301

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

23 DEFERRED TAXATION

The amounts provided for deferred taxation and the full potential liability calculated by the liability method at a rate of 35% are set out below:

	<u>1985</u>		<u>1984</u>	
	<u>Amount</u> <u>Provided</u>	<u>Full</u> <u>Potential</u> <u>Liability</u>	<u>Amount</u> <u>Provided</u>	<u>Full</u> <u>Potential</u> <u>Liability</u>
	£000	£000	£000	£000
	<u>Group</u>			
Excess of capital allowances and capital lease repayments over related depreciation	1,128	1,266	250	1,219
Other timing differences and taxation losses	(328)	(356)	-	(450)
	800	910	250	769
Less: Advance corporation tax	(130)	(130)	-	(68)
	670	780	250	701
	<u>Company</u>			
Excess of capital allowances and capital lease repayments over related depreciation	602	740	250	696
Other timing differences and taxation losses	(279)	(301)	-	(327)
	323	439	250	369
Less: Advance corporation tax	(130)	(130)	-	(68)
	193	309	250	301

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

24 CREDITORS

	Group		Company	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£'000</u>	Restated <u>£'000</u>	<u>£'000</u>	Restated <u>£'000</u>
Bank overdraft	148	149	-	-
Current portion of capital borrowings (see note 25)	3,525	2,386	2,851	2,214
Trade creditors	755	596	612	457
Corporation tax	36	19	36	19
Other taxation and social security	424	197	269	105
Other creditors	82	160	82	112
Accruals	183	149	138	81
Proposed dividend	81	46	81	46
Amount owed to group companies	-	-	32	326
Amounts falling due within one year	<u>5,234</u>	<u>3,702</u>	<u>4,101</u>	<u>3,360</u>
Capital borrowings falling due after more than one year (see note 25)	<u>6,708</u>	<u>3,576</u>	<u>5,267</u>	<u>3,108</u>
	<u>11,942</u>	<u>7,278</u>	<u>9,368</u>	<u>6,468</u>

25 CAPITAL BORROWINGS

	Group		Company	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£'000</u>	Restated <u>£'000</u>	<u>£'000</u>	Restated <u>£'000</u>
Capital borrowings which comprise:				
Amounts borrowed on finance lease and hire purchase agreements	15,848	9,781	13,370	9,110
Amounts repaid	<u>5,615</u>	<u>3,819</u>	<u>5,252</u>	<u>3,788</u>
At 31 March 1985	<u>10,233</u>	<u>5,962</u>	<u>8,118</u>	<u>5,322</u>
Less: Current portion (see note 24)	<u>3,525</u>	<u>2,386</u>	<u>2,851</u>	<u>2,214</u>
	<u>6,708</u>	<u>3,576</u>	<u>5,267</u>	<u>3,108</u>

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

25 CAPITAL BORROWINGS (Contd...)

Amounts repayable under finance lease and hire purchase commitments after more than one year are:

<u>31 March 1985</u>		<u>Group</u> <u>31 March 1984</u> <u>Restated</u>		<u>31 March 1985</u>		<u>Company</u> <u>31 March 1984</u> <u>Restated</u>	
<u>£'000</u>		<u>£'000</u>		<u>£'000</u>		<u>£'000</u>	
1986-87	3,135	1985-86	1,694	1986-87	2,438	1985-86	1,516
1987-88	2,175	1986-87	1,055	1987-88	1,709	1986-87	890
1988-89	930	1987-88	526	1988-89	745	1987-88	454
1989-90	460	1988-89	264	1989-90	367	1988-89	211
1990-91	8	1989-90	37	1990-91	8	1989-90	37
	6,708		3,576		5,267		3,108

26 CAPITAL COMMITMENTS

At 31 March 1985 the directors have authorised future capital expenditure which amounts to:-

	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Contracted	1,107	427

27 CONTINGENT LIABILITIES

The company has guaranteed the borrowings of its subsidiary companies. At 31 March 1985 these borrowings totalled £2,305,000 (1984 - £639,000).

Certain borrowings of the company have been guaranteed by a subsidiary. At 31 March 1985 these borrowings totalled £251,000 (1984 - Nil).

CHARTHIRE SERVICES PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1985

28 COMMITMENTS TO PENSION FUND

Contributions to the company's contributory pension scheme are based on the most recent triennial actuarial valuation and are charged to revenue as incurred. The most recent valuation was at January 1984 when a surplus was disclosed.

29 EMPLOYEES

The average number of employees of the group in each week in the year was 301 and may be analysed as follows:-

	<u>1985</u> <u>Number</u>	<u>1984</u> <u>Number</u>
Vehicle hire and contract distribution	164 -	156
Workshops	87	74
Administration	50	47
	<u>301</u>	<u>277</u>