

COMPANY REGISTRATION NUMBER SC287764

A M PHILLIP TRUCKTECH LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2011

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11/08/2012

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COMPANIES HOUSE

FOURM

Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

A M PHILLIP TRUCKTECH LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

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A M PHILLIP TRUCKTECH LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

G K Phillip
W R Gibb
T S Hally
G Tasker
J C Davidson
M Gibbons
A Cormack
A M Phillip
G W Phillip

Company secretary

A M Phillip

Registered office

Muiryfaulds
Forfar
DD8 1XP

Auditor

FourM
Chartered Accountants
& Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

Bankers

The Royal Bank of Scotland plc
133 Albert Street
Dundee
DD4 6PR

Solicitors

MacHardy Alexander & Whyte, W.S.
71 Castle Street
Forfar
Angus
DD8 3AG

A M PHILLIP TRUCKTECH LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal operational activities of A.M. Phillip Trucktech Limited continues to be the sale of new and used vans, trucks and minibuses, combined with the associated provision of a vast range of support services including parts supply and delivery and serving of vehicles.

The company turnover has risen by 7% to £40m (2010 - £37m). Of which, the turnover of vehicle sales increased from £23.9m to £26.7m. The turnover of aftersales services fell by 4% and parts sales increased by 2%. Whilst the market in all areas continues to be highly competitive, the directors are pleased to report that the company has performed satisfactorily with margins in all departments remaining similar to those achieved in 2010.

Throughout the year, the ongoing effects of both the national and global economic climates continue to create trading difficulties but these have been mitigated by aggressive controls and the directors are pleased to report that the overall performance of the company was very much in line with expectations.

Forecasts for 2012 suggest a slight reduction in turnover with extreme pressure on margins.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £358,149. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

G K Phillip
W R Gibb
T S Hally
G Tasker
J C Davidson
M Gibbons
A Cormack
A M Phillip
G W Phillip

A M PHILLIP TRUCKTECH LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

AUDITOR

FourM are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Muiryfaulds
Forfar
DD8 1XP

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'A M Phillip', written over a horizontal line.

A M PHILLIP
Company Secretary

Approved by the directors on 6 August 2012

A M PHILLIP TRUCKTECH LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2011

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A M PHILLIP TRUCKTECH LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
A M PHILLIP TRUCKTECH LIMITED
YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of A M Phillip Trucktech Limited for the year ended 31 December 2011 on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

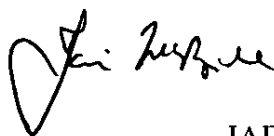
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

A M PHILLIP TRUCKTECH LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
A M PHILLIP TRUCKTECH LIMITED *(continued)*
YEAR ENDED 31 DECEMBER 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



IAIN McBRIDE (Senior Statutory Auditor)

For and on behalf of
FOURM

Chartered Accountants
& Statutory Auditor

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

6 August 2012

A M PHILLIP TRUCKTECH LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
TURNOVER	2	40,318,328	37,516,536
Cost of sales		34,815,446	32,260,563
GROSS PROFIT		5,502,882	5,255,973
Distribution costs		616,631	585,233
Administrative expenses		4,301,975	3,993,400
OPERATING PROFIT	3	584,276	677,340
Interest payable and similar charges	6	113,507	157,633
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		470,769	519,707
Tax on profit on ordinary activities	7	112,620	145,276
PROFIT FOR THE FINANCIAL YEAR		358,149	374,431

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 12 to 21 form part of these financial statements.

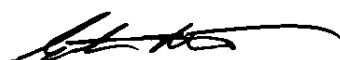
A M PHILLIP TRUCKTECH LIMITED

BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	470,130	405,120
CURRENT ASSETS			
Stocks	9	11,360,128	7,554,730
Debtors	10	3,733,521	5,015,477
Cash at bank and in hand		608,929	178,937
		15,702,578	12,749,144
CREDITORS: Amounts falling due within one year	11	14,117,085	10,673,204
NET CURRENT ASSETS		1,585,493	2,075,940
TOTAL ASSETS LESS CURRENT LIABILITIES		2,055,623	2,481,060
CREDITORS: Amounts falling due after more than one year	12	483,261	1,266,847
		1,572,362	1,214,213
CAPITAL AND RESERVES			
Called-up equity share capital	17	9,250	9,250
Capital redemption reserve	18	500,000	—
Profit and loss account	19	1,063,112	1,204,963
SHAREHOLDERS' FUNDS	20	1,572,362	1,214,213

These financial statements were approved by the directors and authorised for issue on 6 August 2012, and are signed on their behalf by:



G K PHILLIP

Company Registration Number: SC287764

The notes on pages 12 to 21 form part of these financial statements.

A M PHILLIP TRUCKTECH LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2,176,086	(1,623,587)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(109,139)	(150,241)
Interest element of hire purchase	<u>(4,368)</u>	<u>(7,392)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(113,507)	(157,633)
TAXATION	(215,275)	(57,426)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(254,112)	(152,447)
Receipts from sale of fixed assets	<u>4,692</u>	<u>12,552</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(249,420)	(139,895)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING	1,597,884	(1,978,541)
FINANCING		
Redemption of shares classed as financial liabilities	(500,000)	—
Repayment of long-term amounts owed to group undertakings	(708,426)	—
Capital element of hire purchase	<u>40,534</u>	<u>(1,877)</u>
NET CASH OUTFLOW FROM FINANCING	(1,167,892)	(1,877)
INCREASE/(DECREASE) IN CASH	<u>429,992</u>	<u>(1,980,418)</u>

The notes on pages 12 to 21 form part of these financial statements.

A M PHILLIP TRUCKTECH LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2011

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	584,276	677,340
Depreciation	188,129	175,360
Profit on disposal of fixed assets	(3,719)	(6,103)
Increase in stocks	(3,805,398)	(813,645)
Decrease/(increase) in debtors	1,281,956	(1,500,821)
Increase/(decrease) in creditors	3,930,842	(155,718)
Net cash inflow/(outflow) from operating activities	<u>2,176,086</u>	<u>(1,623,587)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £	2010 £
Increase/(decrease) in cash in the period	429,992	(1,980,418)
Net cash outflow from redemption of shares classed as financial liabilities	500,000	—
Net cash outflow from long-term amounts owed to group undertakings	708,426	—
Cash outflow in respect of hire purchase	<u>(40,534)</u>	<u>1,877</u>
	1,597,884	(1,978,541)
Change in net debt	1,597,884	(1,978,541)
Net debt at 1 January 2011	(1,647,136)	331,405
Net debt at 31 December 2011	<u>(49,252)</u>	<u>(1,647,136)</u>

The notes on pages 12 to 21 form part of these financial statements.

A M PHILLIP TRUCKTECH LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2011

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2011 £	Cash flows £	At 31 Dec 2011 £
Net cash:			
Cash in hand and at bank	178,937	429,992	608,929
Debt:			
Debt due within 1 year	(500,000)	400,000	(100,000)
Debt due after 1 year	(1,208,426)	808,426	(400,000)
Hire purchase agreements	(117,647)	(40,534)	(158,181)
	<u>(1,826,073)</u>	<u>1,167,892</u>	<u>(658,181)</u>
Net debt	<u>(1,647,136)</u>	<u>1,597,884</u>	<u>(49,252)</u>

The notes on pages 12 to 21 form part of these financial statements.

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going Concern

The Board of Directors confirm that, after making appropriate enquiries, they have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing these Financial Statements.

Turnover

The turnover shown in the profit and loss account represents goods despatched and services provided during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 15% to 25% per annum on cost
Fixtures & Fittings	- 15% to 25% per annum on cost
Motor Vehicles	- 25% per annum on cost

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the company.

An analysis of turnover is given below:

	2011	2010
	£	£
United Kingdom	40,318,328	37,516,536

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2011 £	2010 £
Depreciation of owned fixed assets	130,922	140,084
Depreciation of assets held under hire purchase agreements	57,207	35,276
Profit on disposal of fixed assets	(3,719)	(6,103)
Auditor's remuneration - as auditor	<u>15,000</u>	<u>13,650</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2011 No	2010 No
Number of administrative staff	46	46
Number of sales and service staff	<u>141</u>	<u>146</u>
	<u>187</u>	<u>192</u>

The aggregate payroll costs of the above were:

	2011 £	2010 £
Wages and salaries	4,714,355	4,752,839
Social security costs	470,494	468,055
Staff pension costs	21,612	20,336
Directors' pension costs	<u>11,232</u>	<u>9,175</u>
	<u>5,217,693</u>	<u>5,250,405</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2011 £	2010 £
Remuneration receivable	280,962	266,791
Value of company pension contributions to money purchase schemes	<u>11,232</u>	<u>9,175</u>
	<u>292,194</u>	<u>275,966</u>

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

5. DIRECTORS' REMUNERATION *(continued)*

Remuneration of highest paid director:

	2011	2010
	£	£
Total remuneration (excluding pension contributions)	76,494	77,931
Value of company pension contributions to money purchase schemes	3,462	3,672
	<u>79,956</u>	<u>81,603</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2011	2010
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Finance charges	4,368	7,392
Other similar charges payable	109,139	150,241
	<u>113,507</u>	<u>157,633</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 26% (2010 - 28%)	112,620	145,276
Total current tax	<u>112,620</u>	<u>145,276</u>

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2010 - 28%).

	2011 £	2010 £
Profit on ordinary activities before taxation	470,769	519,707
Profit on ordinary activities by rate of tax	122,400	145,518
Depreciation for period in excess of capital allowances	(11,876)	(242)
Tax chargeable at higher rates	2,096	-
Total current tax (note 7(a))	112,620	145,276

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 January 2011	454,119	93,222	390,643	937,984
Additions	80,032	26,860	147,220	254,112
Disposals	-	-	(62,852)	(62,852)
At 31 December 2011	<u>534,151</u>	<u>120,082</u>	<u>475,011</u>	<u>1,129,244</u>
DEPRECIATION				
At 1 January 2011	309,998	67,836	155,030	532,864
Charge for the year	59,906	3,469	124,754	188,129
On disposals	-	-	(61,879)	(61,879)
At 31 December 2011	<u>369,904</u>	<u>71,305</u>	<u>217,905</u>	<u>659,114</u>
NET BOOK VALUE				
At 31 December 2011	<u>164,247</u>	<u>48,777</u>	<u>257,106</u>	<u>470,130</u>
At 31 December 2010	<u>144,121</u>	<u>25,386</u>	<u>235,613</u>	<u>405,120</u>

Hire purchase agreements

Included within the net book value of £470,130 is £197,945 (2010 - £141,209) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £57,207 (2010 - £35,276).

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

9. STOCKS

	2011 £	2010 £
Vehicles & equipment	10,122,040	6,334,490
Work in progress	118,383	164,470
Parts	1,119,705	1,055,770
	<u>11,360,128</u>	<u>7,554,730</u>

Vehicles and equipment exclude items on consignment from manufacturers, where title passes at the earlier of the date of sale or 120 days from date of consignment. After an initial interest free period, finance stocking charges are charged on all vehicle consignment stock. To include consignment stock at the year end would have the effect of increasing stock and trade creditors by £2,189,659 (2010 - £2,160,118).

10. DEBTORS

	2011 £	2010 £
Trade debtors	2,670,977	3,745,243
Other debtors	1,062,544	1,270,234
	<u>3,733,521</u>	<u>5,015,477</u>

11. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	12,584,447	8,033,681
Amounts owed to group undertakings	844,877	1,525,795
Other creditors including taxation and social security:		
Corporation tax	42,621	145,276
Other taxation and social security	139,220	136,453
Shares classed as financial liabilities	100,000	500,000
Hire purchase agreements	74,920	59,226
	<u>356,761</u>	<u>840,955</u>
Accruals and deferred income	331,000	272,773
	<u>14,117,085</u>	<u>10,673,204</u>

Included in Trade creditors are amounts due to FCE Bank plc and Iveco Limited in respect of stock purchases which are secured by bonds and floating charges over the whole property and undertaking, as well as a security over certain new vehicles stocks. The amount due to FCE Bank plc and Iveco Limited respectively, at the year end date was £5,474,120 (2010 - £3,983,207) and £5,343,742 (2010 - £3,277,953).

All of the securities granted by the company are the subjects of a specific ranking agreement.

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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

	2011 £	2010 £
Amounts owed to group undertakings	—	708,426
Other creditors:		
Hire purchase agreements	83,261	58,421
Shares classed as financial liabilities	400,000	500,000
	<u>483,261</u>	<u>558,421</u>
	<u>483,261</u>	<u>1,266,847</u>

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2011 £	2010 £
Amounts payable within 1 year	78,239	62,582
Amounts payable between 2 to 5 years	88,421	61,337
	<u>166,660</u>	<u>123,919</u>
Less interest and finance charges relating to future periods	(8,479)	(6,272)
	<u>158,181</u>	<u>117,647</u>
Hire purchase agreements are analysed as follows:		
Current obligations	74,920	59,226
Non-current obligations	83,261	58,421
	<u>158,181</u>	<u>117,647</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2011 £	2010 £
Operating leases which expire:		
Within 2 to 5 years	<u>348,600</u>	<u>348,600</u>

15. CONTINGENCIES

Alongwith the ultimate parent company, A.M. Phillip Limited, and a fellow subsidiary, A M Phillip Agritech Limited, the company has provided the group's bank with an unlimited inter company guarantee for all sums.

The total amount due by A.M. Phillip Limited group to Royal Bank of Scotland plc at 31 December 2011 was £1,987,779 (2010 - £3,091,784).

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

16. RELATED PARTY TRANSACTIONS

The company was under the control of the holding company, A.M. Phillip Limited, throughout the current and previous period.

During the year, the company was charged for management services provided by its parent company. The total charges were £1,201,728 (2010 - £1,147,107).

In addition, the company is due to pay an amount of £844,877 (2010 - £1,525,795) to group companies as a result of transactions undertaken in the normal course of trading. This amount has no set repayments terms and does not attract interest.

17. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
925,000 Ordinary shares of £0.01 each	925,000	9,250	925,000	9,250
500,000 Preference shares (2010 - 1,000,000) of £1 each	500,000	500,000	1,000,000	1,000,000
	<u>1,425,000</u>	<u>509,250</u>	<u>1,925,000</u>	<u>1,009,250</u>

Amounts presented in equity:

	2011	2010
	£	£
925,000 Ordinary shares of £0.01 each	<u>9,250</u>	<u>9,250</u>

Amounts presented in liabilities:

	2011	2010
500,000 Preference shares (2010 - 1,000,000) of £1 each	<u>500,000</u>	<u>1,000,000</u>

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17. SHARE CAPITAL *(continued)*

The main rights attached to each class of share are as follows:

Dividends

The profits of the company available for distribution shall be applied first in paying to the holders of the preference shares a cumulative net cash dividend (Preference Dividend) of an amount equal to 2% above the base rate on 1 January of the preceding year of £1 per preference share per annum, to be payable annually within 28 days of the end of each financial period of the company.

Where the company has insufficient profits available for distribution and is thereby prohibited from paying dividends, the preference dividend shall be a debt due by the company and be payable in priority to any other dividend. For the avoidance of doubt, if there are insufficient profits to pay the preference dividend in full the company shall pay such proportion of any dividend as it can lawfully pay and the balance shall be a debt due by the company payable in priority to any other dividend.

Return of Capital

On a return of assets on liquidation or otherwise, the assets of the company remaining after the payment of its liabilities shall be applied:

first, in paying the holders of the preference shares a sum equal to the aggregate of (a) the amount paid up or credited as paid up on each of the preference shares held by them, and (b) an amount equal to any arrears and accruals of dividend thereon to be calculated down to the date of the return of capital, in priority to any repayment to any other shareholders;

second, in paying to the holders of the ordinary shares a sum equal to the aggregate of (a) and amount paid up or credited as paid up on each of the ordinary shares held by them, and (b) an amount equal to any arrears and accruals of dividend thereon to be calculated down to the date of the return of capital; and

third, in distributing the balance of such assets among the holders of the ordinary shares rateably according to the amounts paid up or credited as paid up on the shares held by them.

Voting

The preference shares shall entitle the holders thereof to receive notice of and to attend all general meetings of the members of the company and to receive copies of all circulars sent to holders of shares or debentures in the company but shall not entitle the holders by virtue of their holdings thereof to vote at any such meeting unless the preference dividend payable shall be more than six months in arrears of its payment date, in which event the preference shares shall entitle a holder present in person or by proxy at a general meeting, on a show of hands, to one vote and on a poll, to one vote for every such share of which he is the holder.

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17. SHARE CAPITAL *(continued)*

Redemption

The preference shares are due for redemption in blocks of £100,000 each on the 31st December each year, commencing on 31 December 2007 until 31 December 2016 at a redemption rate of £1 per share. If the company is prohibited from redeeming the preference shares remaining in issue on the due date for redemption, the company shall redeem those preference shares as soon as redemption becomes permissible. 500,000 preference shares had been redeemed at 31 December 2011.

18. CAPITAL REDEMPTION RESERVE

	2011 £	2010 £
Transfer from the Profit and Loss Account	<u>500,000</u>	<u>—</u>

19. PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
Balance brought forward	1,204,963	830,532
Profit for the financial year	358,149	374,431
Transfer to capital redemption reserve	(500,000)	—
Balance carried forward	<u>1,063,112</u>	<u>1,204,963</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	358,149	374,431
Opening shareholders' funds	1,214,213	839,782
Closing shareholders' funds	<u>1,572,362</u>	<u>1,214,213</u>

21. ULTIMATE PARENT COMPANY

The ultimate parent company is A.M. Phillip Limited, a company incorporated in Scotland.