

Company Registration No: 689260

TELLINGS - GOLDEN MILLER LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995



TELLINGS - GOLDEN MILLER LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 1995

DIRECTOR

S R Telling

SECRETARY

C A Telling

REGISTERED OFFICE

20A Wintersells Road
Byfleet
Weybridge
Surrey
KT14 7LF

AUDITORS

Rothman Pantall & Co
Clareville House
26-27 Oxendon Street
London
SW1Y 4EP

PRINCIPAL BANKERS

National Westminster Bank plc
PO Box 29
St Martins
Leicester
LE1 9NB

TELLINGS - GOLDEN MILLER LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

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TELLINGS - GOLDEN MILLER LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1995

The director presents his Annual Report and audited Accounts of the company for the year ended 31 December 1995.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company continues to be the operation of bus and coach services.

There were no significant changes in the operations of the company's business during the year.

In the opinion of the director, the company was in a satisfactory position at the year-end.

RESULTS AND DIVIDENDS

The results for the year are given on page 4 of the Accounts.

During the year a dividend of £62,646 was paid (1994 £Nil).

DIRECTOR AND HIS INTERESTS IN THE COMPANY'S SHARES

The director and his beneficial interests in the company's shares at the beginning and end of the year were as follows :-

Ordinary Shares of £1.00 each
1995 1994

S R Telling

-

-

The interests of the director in the share capital of the ultimate holding company, TGM Transport Limited, are shown in the Accounts of that company.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the Accounts.

AUDITORS

The auditors, Rothman Pantall & Co, who were appointed during the year, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

REGISTERED OFFICE
 20A Wintersells Road
 Byfleet
 Weybridge
 Surrey
 KT14 7LF

By Order of the Board

C. A. Telling
 Mrs C A Telling
 Secretary
 Date 28 October 1996

TELLINGS - GOLDEN MILLER LIMITED
STATEMENT OF DIRECTOR'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 1995

It is the responsibility of the director to prepare Accounts for each year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the year. In preparing those Accounts the director is required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Accounts;
- iv) prepare the Accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS OF
TELLINGS - GOLDEN MILLER LIMITED
FOR THE YEAR ENDED 31 DECEMBER 1995

We have audited the Accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's director is responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

BASIS OF OPINION

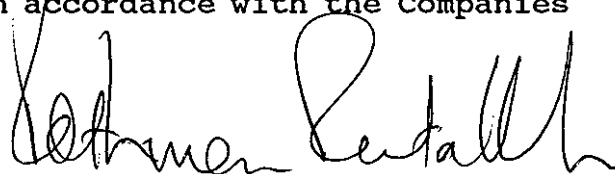
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Accounts, and of whether the accounting policies are appropriate to the company's circumstances, have been 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 Accounts are free from material misstatements, 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 Accounts.

OPINION

In our opinion the Accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date 28 October 1996



ROTHMAN PANTALL & CO
Chartered Accountants and
Registered Auditors
Clareville House
26-27 Oxendon Street
London
SW1Y 4EP

TELLINGS - GOLDEN MILLER LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995

	NOTE	1995 £000	As restated 1994 £000
TURNOVER		2,446	1,957
Cost of sales		(1,837)	(1,569)
Gross profit		609	388
Administrative expenses		(493)	(282)
Other income	2	13	8
OPERATING PROFIT	3	129	114
Profit on sale of fixed assets		176	109
Profit on ordinary activities before interest		305	223
Interest receivable and similar income	5	-	5
Interest payable	6	(73)	(64)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		232	164
Taxation on ordinary activities	7	(4)	(2)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		228	162
RETAINED PROFIT/(DEFICIT) BROUGHT FORWARD:			
As originally stated		33	(137)
Prior year adjustment	8	(80)	(72)
		(47)	(209)
Dividends paid	9	(63)	-
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD AS RESTATED		£ 118 =====	£ (47) =====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1995 £000	As restated 1994 £000
Retained Profit for the financial year	228	162
Prior year adjustment	(80)	-
Dividends paid	(63)	-
Total gains and losses recognised since last annual report	£ 85 =====	£ 162 =====

The notes on pages 6 to 12 form part of these Accounts.

TELLINGS - GOLDEN MILLER LIMITEDBALANCE SHEETAS AT 31 DECEMBER 1995

	Note	£000	1995 £000	As Restated 1994 £000	£000
FIXED ASSETS					
Tangible Assets	10		1,162		960
CURRENT ASSETS					
Stocks and work in progress	11	20		14	
Debtors	12	624		536	
Cash at bank and in hand		111		1	
		<u>755</u>		<u>551</u>	
CREDITORS: Amounts falling due within one year	13	(567)		(484)	
NET CURRENT ASSETS			<u>188</u>		<u>67</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,350</u>		<u>1,027</u>
CREDITORS: Amounts falling due after more than one year	14		(426)		(268)
PROVISION FOR LIABILITIES AND CHARGES	15		(1)		(1)
NET ASSETS			<u>£ 923</u> =====		<u>£ 758</u> =====
CAPITAL AND RESERVES					
Called up share capital	16		805		805
Profit and loss account			118		(47)
SHAREHOLDERS' FUNDS	19		<u>£ 923</u> =====		<u>£ 758</u> =====

The Accounts were approved by the Board on 23rd October 1996

S R Telling S. R. Telling

The notes on pages 6 to 12 form part of these Accounts.

TELLINGS - GOLDEN MILLER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

In accordance with the Financial Reporting Standard No 1, the company is exempt from the requirement to present a cashflow statement.

1.2 TURNOVER

Turnover represents the amounts receivable for goods and services, excluding Value Added Tax.

1.3 DEPRECIATION

The company's policy is to write off the cost of tangible fixed assets over their estimated useful lives using the following rates :-

Leasehold improvements : amortised over unexpired term of lease

Public service vehicles : 3 to 15 years

Motor vehicles : 3 to 5 years

Plant and equipment : 4 to 10 years

1.4 STOCKS

Stocks are stated at the lower of cost and net realisable value.

1.5 ASSETS HELD UNDER HIRE PURCHASE AND LEASE AGREEMENTS

Where assets are financed by Hire Purchase agreements and finance leases, the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital payments outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

1.6 DEFERRED TAXATION

Deferred taxation is provided on the liability method on short term and long term timing differences to the extent that a liability is expected to arise in the foreseeable future.

1.7 ENGINEERING MAINTENANCE

The cost of replacing engines and gearboxes used in the company's fleet of coaches is provided for over their expected useful life. The actual cost of replacements is charged to the provision.

TELLINGS - GOLDEN MILLER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

2. OTHER OPERATING INCOME

	1995 £000	1994 £000
--	--------------	--------------

Other income	13	8
	=====	=====

3. OPERATING PROFIT

	1995 £000	1994 £000
--	--------------	--------------

This is stated after charging the following :-

Depreciation	235	193
Hire of plant and machinery	151	71
Property rental	32	24
Auditors' remuneration	3	2
Director's emoluments	37	32
	=====	=====

4. DIRECTOR AND OTHER EMPLOYEES

	1995 NUMBER	1994 NUMBER
--	----------------	----------------

The average number of persons employed by the company during the year was as follows :-

Administration	10	9
Maintenance and engineers	4	2
Drivers and conductors	48	33
	-----	-----
	62	44
	=====	=====

Staff costs include the following :

	1995 £000	1994 £000
Wages and salaries	773	577
Social security costs	74	55
Other pension costs	8	6
	-----	-----
	855	638
	=====	=====

TELLINGS - GOLDEN MILLER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £000	1994 £000
Bank interest	-	5
	=====	=====

6. INTEREST PAYABLE

	1995 £000	1994 £000
Finance lease and hire purchase interest	72	61
Other interest	1	3
	----- 73	----- 64
	=====	=====

7. TAXATION

	1995 £000	1994 £000
Taxation on profits at 25%	4	2
	----- 4	----- 2
	=====	=====

8. PRIOR YEAR ADJUSTMENT

This relates to the change in accounting policy whereby the cost of replacement engines and gearboxes for coaches is provided for over their expected useful life. The 1994 accounts have been restated by including a net charge of £8,000 in respect of the provision.

9. DIVIDENDS

During the year a dividend of £62,646 was paid (1994 £Nil).

TELLINGS - GOLDEN MILLER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

10. TANGIBLE FIXED ASSETS

	Leasehold Property Improvements	Plant Machinery Fixtures	Motor Vehicles	Public Finance Lease Pre 11/4/91	Service Finance Lease Post 11/4/91	Vehicle HP/Owned Assets	TOTAL
	£000	£000	£000	£000	£000	£000	£000
At 1 January 1995	10	91	43	100	598	744	1,586
Additions	-	1	46	-	-	536	583
Disposals	-	(5)	(19)	-	(157)	(180)	(361)
At 31 December 1995	<u>10</u>	<u>87</u>	<u>70</u>	<u>100</u>	<u>441</u>	<u>1,100</u>	<u>1,808</u>
Depreciation :							
At 1 January 1995	1	64	29	73	220	239	626
Charge for year	1	7	11	18	58	140	235
Disposals	-	(1)	(19)	-	(98)	(97)	(215)
At 31 December 1995	<u>2</u>	<u>70</u>	<u>21</u>	<u>91</u>	<u>180</u>	<u>282</u>	<u>646</u>
Net book value :							
At 31 December 1995	<u>8</u>	<u>17</u>	<u>49</u>	<u>9</u>	<u>261</u>	<u>818</u>	<u>1,162</u>
At 1 January 1995	<u>9</u>	<u>27</u>	<u>14</u>	<u>27</u>	<u>378</u>	<u>505</u>	<u>960</u>

TELLINGS - GOLDEN MILLER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

11. STOCKS AND WORK IN PROGRESS

	1995 £000	1994 £000
Raw materials	4	6
Other stock	16	8
	<u>20</u>	<u>14</u>
	=====	=====

12. DEBTORS

	1995 £000	1994 £000
Trade debtors	274	214
Amounts due from Group undertakings	295	267
Other debtors	41	30
Prepayments and accrued income	14	25
	<u>624</u>	<u>536</u>
	=====	=====

13. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1995 £000	As restated 1994 £000
Bank loans and overdrafts	-	9
Trade creditors	61	61
Amounts due to Group companies	-	5
Corporation tax	4	2
Other taxes and social security costs	26	20
Other creditors	120	93
Accruals and deferred income	82	95
Hire purchase	274	199
	<u>567</u>	<u>484</u>
	=====	=====

The company's bank borrowing facilities are secured by a fixed and floating charge over the company's assets and undertakings.

14. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR

	1995 £000	1994 £000
Hire purchase	426	268
	<u>426</u>	<u>268</u>
	=====	=====

Amounts due under hire purchase agreements are secured on the assets so financed.

TELLINGS - GOLDEN MILLER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation

As explained in note 1.5, deferred taxation is provided to the extent that a liability is expected to arise in the foreseeable future. The amounts provided for and the amounts involved if deferred taxation had been provided in full, are made up as follows :-

	Full Provision		Provided in Accounts	
	1995	1994	1995	1994
	£000	£000	£000	£000
Accelerated capital allowances	1	1	1	1
Industrial buildings allowances	-	-	-	-
	<u>£ 1</u>	<u>£ 1</u>	<u>£ -</u>	<u>£ 1</u>
	=====	=====	=====	=====

16. SHARE CAPITAL

	1995	1994
	£000	£000
<u>Authorised</u>		
805,000 ordinary shares of £1 each	805	805
	=====	=====
<u>Allotted, called up and fully paid</u>		
805,000 ordinary shares of £1 each	805	805
	=====	=====

TELLINGS - GOLDEN MILLER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

17. FINANCIAL COMMITMENTS

	1995 £000	1994 £000
<u>Capital commitments</u>		
Contracted for but not provided in the Accounts	399	431
Authorised but not contracted for	-	53
	=====	=====

Operating lease commitments

The annual commitments under operating leases are analysed according to the period in which each lease expires, as follows :-

	1995 £000	1994 £000
Within one year	-	-
Between two and five years	-	-
After five years	37	25
	----- 37	----- 25
	=====	=====

18. ULTIMATE PARENT COMPANY

The company is a wholly-owned subsidiary of TGM Transport Limited, a company registered in England and Wales.

19. RECONCILIATION OF MOVEMENT IN
SHAREHOLDERS' FUNDS

	1995 £000	As restated 1994 £000
Profit for the financial year	228	162
Opening shareholders' funds as originally stated	838	668
Prior year adjustment (see note 8.)	(80)	(72)
Dividends paid	(63)	-
Closing shareholders' funds	----- 923	----- 758
	=====	=====