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TELLINGS - GOLDEN MILLER LIMITED
FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 DECEMBER 1993

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TELLINGS - GOLDEN MILLER LIMITED

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FOR THE 53 WEEKS ENDED 31 DECEMBER 1993

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TELLINGS - GOLDEN MILLER LIMITED

COMPANY INFORMATION

FOR THE 53 WEEKS ENDED 31 DECEMBER 1993

DIRECTORS

S R Telling
C A Telling (appointed 16th July 1993)
D R Martin (resigned 16th July 1993)
D T Williams (resigned 16th July 1993)
G G Watt (resigned 16th July 1993)

SECRETARY

R A Bowler (resigned 16th July 1993)
C A Telling (appointed 16th July 1993)

REGISTERED OFFICE

20A Wintersells Road
Byfleet
Weybridge
Surrey KT14 7LF

Registered Number: 689260

AUDITORS

Ableman Shaw & Co.
Mercury House
1 Heather Park Drive
Wembley
Middlesex
HAO 1SX

TELLINGS - GOLDEN MILLER LIMITED

DIRECTORS' REPORT

The directors present herewith their annual report, together with the audited financial statements of the company for the 53 weeks ended 31st December 1993.

Principal activity and business review

The principal activities of the Company continues to be the operation of bus and coach services.

On the 16th July 1993 the entire share capital of the Company was acquired by TGM Transport Limited. Since the takeover the directors have been pleased with the results and are optimistic for the future.

Results and dividends

The directors do not recommend the payment of dividends and propose to transfer the loss of £ 89,831 to the profit and loss account to leave total retained losses of £ 135,829.

Directors and their interests

The names of the directors of the company, who served during the year under review, are given on page 1.

None of the directors had beneficial interests in the shares of the company as defined by the Companies Act 1985 other than S R Telling and Mrs C A Telling.

They have a beneficial interest by virtue of their interests in the holding company, T G M Transport Limited. The number and class of shares are disclosed in the accounts of the holding company.

TELLINGS - GOLDEN MILLER LIMITED

DIRECTOR'S REPORT - CONTINUED

Directors' Responsibilities for the Financial Statements

Company law requires the directors to prepare financial statements for each financial year which 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. In preparing those financial statements, the directors are required to:

- . select suitable accounting policies and apply them consistently;
- . make judgements and estimates that are reasonable and prudent;
- . 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Auditors

Messrs Robson Rhodes resigned as auditors on the 16th July 1993. Messrs Ableman Shaw & Co. were appointed to fill the casual vacancy. They have signified their willingness to continue to act as auditors of the company.

By Order of the Board

Secretary: C.A. Telling
Mrs C A Telling

Date: 10/8/94

AUDITORS' REPORT TO THE SHAREHOLDERS OF

TELLINGS - GOLDEN MILLER LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Director and Auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and 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 as to whether 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 31st December 1993 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Mercury House
1 Heather Park Drive
Wembley
Middlesex HA0 1SX

Date: 19th August 1994

ABLEMAN SHAW & CO.

Ableman Shaw & Co
Registered Auditors &
Chartered Accountants

TELLINGS - GOLDEN MILLER LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE 53 WEEKS ENDED 31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Turnover		2,760	3,815
Cost of sales		(2,230)	(3,214)
Gross profit		<u>530</u>	<u>601</u>
Administrative expenses		(488)	(535)
Other income	2	<u>123</u>	<u>26</u>
Operating profit/(loss)	3	<u>165</u>	<u>92</u>
Exceptional item	5	<u>(46)</u>	<u>-</u>
Profit on ordinary activities before interest		119	92
Interest receivable and similar income	6	-	1
Interest payable	7	(210)	(208)
Profit/(loss) on ordinary activities before taxation		<u>(91)</u>	<u>(115)</u>
Taxation on ordinary activities	8	-	80
Profit/(loss) on ordinary activities after taxation		<u>(91)</u>	<u>(35)</u>
Profit and loss account brought forward		(46)	(11)
Profit and loss account carried forward		<u>(137)</u>	<u>(46)</u>

The company has no recognised gains or losses other than the losses for the two years ended 31st December 1993.

TELLINGS - GOLDEN MILIER LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1993

	<u>Notes</u>	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
<u>Fixed Assets</u>			
Tangible assets	9	701	2,030
Investments	10	-	6
		<u>701</u>	<u>2,036</u>
<u>Current Assets</u>			
Stocks and work in progress	11	8	22
Debtors	12	437	1,690
Cash at bank and in hand		250	39
		<u>695</u>	<u>1,751</u>
<u>Creditors - amounts falling due</u> <u>within one year</u>	13	483	2,055
		<u>212</u>	<u>(304)</u>
<u>Net Current (Liabilities)/Assets</u>			
		<u>913</u>	<u>1,732</u>
<u>Total assets less current liabilities</u>			
<u>Creditors - amounts falling due</u> <u>after more than one year</u>	14	244	973
<u>Provision for liabilities and</u> <u>charges</u>	15	1	-
		<u>668</u>	<u>759</u>
<u>Capital and reserves</u>			
Called up share capital	16	805	805
Profit and loss account	19	(137)	(46)
		<u>668</u>	<u>759</u>

S. R Telling

C. A. Telling

C A Telling

Directors

Date: 10/8/94

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

1. Accounting Policies

a. Basis of Accounting

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

The principal accounting policies which the directors have adopted within that convention are set out below.

b. 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 properties : amortised over unexpired term of lease

Public service vehicles : 5 to 15 years

Plant and equipment : 4 to 10 years

c. Stocks

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

d. 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.

e. 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.

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

f. Pension costs

The company operates defined benefit, funded, pension schemes covering the majority of its employees. The pension costs are assessed in accordance with the advice of independent qualified actuaries and are charged to the profit and loss account so as to spread the costs over the expected service lives of participant employees.

2. Other operating income

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Profit on sale of fixed assets	108	16
Other income	15	10
	<u>123</u>	<u>26</u>

3. Operating profit

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
This is stated after charging the following:		
Depreciation of tangible fixed assets	108	74
Depreciation of assets held under finance leases and hire purchase contracts	157	238
Hire of plant and machinery	159	304
Property rental	24	38
Auditors' remuneration	2	3
	<u> </u>	<u> </u>

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

4. Directors and Other Employees

	<u>1993</u> <u>Number</u>	<u>1992</u> <u>Number</u>
The average number of persons employed by the company during the year was as follows:		
Administration	8	14
Maintenance and engineers	2	6
Drivers and conductors	26	104
	<u>36</u>	<u>124</u>

Staff costs include the following:

	<u>£000</u>	<u>£000</u>
Wages and salaries	807	1,185
Social security costs	75	111
Other pension costs	8	9
Redundancy costs	6	6
	<u>896</u>	<u>1,311</u>

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

Chairman	-	-
Highest paid director	34	34

Others	<u>1993</u> <u>Number of directors</u>	<u>1992</u> <u>Number of directors</u>
£0 - £5,000	-	4
£10,001 - £15,000	1	-
	<u>1</u>	<u>4</u>

5. Exceptional Items

The exceptional items disclosed in the accounts relate to the following:

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Sale of Claylake Travel Limited	46	-

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

6. Interest receivable and similar income

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Loan interest	-	1

7. Interest Payable

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Loans repayable within 5 years	129	19
Loans repayable after 5 years	-	26
Finance lease and hire purchase interest	81	163
	<u>210</u>	<u>208</u>

8. Taxation

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Deferred taxation	-	(74)
Taxation on profits at 33.25%	-	(6)
	<u>-</u>	<u>(80)</u>

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

9 . Tangible Fixed Assets

	Freehold Properties	Leasehold Properties	Plant Machinery Fixtures	Motor Vehicles	Finance Lease Pre 11/4/91	Public Service Finance Lease Post 11/4/91	Vehicle HP/owned Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 26th December 1992	464	22	94	70	168	997	1,001	2,516
Additions	-	10	3	-	-	-	28	41
Disposals	(464)	(6)	(22)	(34)	(17)	(238)	(809)	(1,590)
At 31st December 1993	-	26	75	36	151	759	220	1,267
Depreciation:								
At 26th December 1992	24	12	53	40	75	127	455	786
Charge for year	1	10	7	18	39	106	86	267
Disposals	(25)	(6)	(7)	(31)	(12)	(27)	(379)	(487)
At 31st December 1993	-	16	53	27	102	206	162	566
Net book value:								
At 31st December 1993	-	10	22	9	49	553	58	701
At 26th December 1992	440	10	41	30	93	870	546	2,030

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

10. Investments

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
COST:		
At 26th December 1992	6	6
Disposals	(6)	-
At 31st December 1993	<u>-</u>	<u>6</u>

The above represents the disposal of the wholly owned subsidiary, Claylake Travel Limited.

11. Stocks and work in progress

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Raw materials	5	7
Work in progress	3	15
	<u>8</u>	<u>22</u>

12. Debtors

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Trade debtors	139	272
Amounts due from group companies	200	1,250
Corporation tax	13	-
Amounts due from central government	19	7
Other debtors	30	112
Prepayments and accrued income	36	49
	<u>437</u>	<u>1,690</u>

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

13. Creditors - amounts falling due within one year

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Bank loans and overdraft	-	393
Trade creditors	145	126
Amounts due to group companies	-	1,000
Corporation tax	-	(13)
Other taxes and social security costs	18	57
Other creditors	132	39
Accruals and deferred income	4	93
Payments received on account	-	8
Hire purchase	184	352
	<u>483</u>	<u>2,055</u>

The bank borrowings are secured by a fixed and floating charge over all the company's assets.

14. Creditors - amounts falling due after more than one year

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Loans repayable within 5 years	-	218
Loans repayable after more than 5 years	-	161
Hire purchase	244	594
	<u>244</u>	<u>973</u>

All of the payments in respect of hire purchase liabilities fall due within 2 years of the balance sheet date.

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

15. Provisions for Liabilities and Charges

Deferred taxation:

As explained in Note 1(e) 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	
	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Accelerated capital allowances	1	-	1	-
Industrial buildings allowances	-	-	-	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

16. Share Capital

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Authorised, Issued and fully paid:		
805,000 Ordinary shares of £1 each	<u>805</u>	<u>805</u>

TELLINGS - GOLDEN MILLER LIMITED

NOTES TO THE 1993 FINANCIAL STATEMENTS

18. Financial Commitments

	<u>1993</u>	<u>1992</u>
	£000	£000
(a) Capital commitments		
Contracted for but not provided in the accounts	136	-
Authorised but not contracted for	-	-
	<u>136</u>	<u>-</u>

(b) Operating lease commitments

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

Within one year	8	128
Between two and five years	-	177
After five years	25	
	<u>33</u>	<u>305</u>

19. Ultimate Parent Company

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

19. Reconciliation in Shareholders' Funds

	<u>1993</u>	<u>1992</u>
	£000	£000
Loss for the financial year	(91)	(35)
Shareholders' funds at 26th December 1992	759	794
Shareholders' funds at 31st December 1993	<u>668</u>	<u>759</u>