


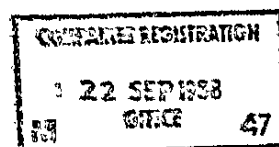
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Directors' Report and Accounts

TELLINGS-GOLDEN MILLER LIMITED

31 December 1987

 Ernst & Whinney



TELLINGS-GOLDEN MILLER LIMITED

DIRECTORS' REPORT

Directors: S R Telling
C A Telling
J E Cradock
P J Hughes
M R Benn

Secretary: C A Telling

Registered Office: Becket House, 1 Lambeth Palace Road, London

The directors present their report and the audited accounts for the year ended 31 December 1987.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company consist of coach and omnibus hire.

On 1 January 1987 the company acquired the trade, assets and liabilities of Tellings Coaches of Weybridge Ltd, a fellow subsidiary engaged in the same activities.

SUBSEQUENT EVENTS AND FUTURE DEVELOPMENTS

The company continues to expand its activities in the field of coach and omnibus hire.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £58,256 (1986-loss of £28,300).

The directors do not recommend a dividend.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 11 to the accounts.

DIRECTORS

The directors of the company during the year ended 31 December 1987 were those listed above.

TELLINGS-GOLDEN MILLER LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985, the directors' interests in the share capital of the holding company, Truscon Leisure Limited, were as follows:

	31 December 1987	31 December 1986
M R Benn	-	-
S R Telling	71,250	71,250
G A Telling	3,750	3,750
J E Cradock	73,750	71,250
P J Hughes	1,250	3,750

The interests of J E Cradock and PJ Hughes and held in the name of Truscon Securities Limited.

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the annual general meeting.

By order of the board

Secretary

C.A. Telling

Ernst & Whinney



Ernst & Whinney
Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS OF TELLINGS-GOLDEN MILLER LIMITED

We have audited the accounts set out on pages 4 to 13 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1987 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

Ernst & Whinney
Reading

23 August 1988

TELLINGS-GOLDEN MILLER LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1987

	Notes	1987 £	1986 £
TURNOVER	3	969,005	320,099
COST OF SALES		(699,176)	(222,232)
GROSS PROFIT		269,829	97,867
Administration expenses		(131,587)	(104,009)
Other operating income		113,881	264
Rental income		34,335	33,798
OPERATING PROFIT	4	286,458	27,920
Interest payable and similar charges	7	(150,892)	(56,100)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		135,566	(28,180)
Taxation	8	3,096	-
PROFIT /(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		132,470	(28,180)
Extraordinary item	9	74,214	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>£58,256</u>	<u>£(28,180)</u>

Ernst & Whinney

STATEMENT OF RESERVES

At 31 December 1986		(111,773)	(79,624)
Prior year adjustment	10	-	(3,969)
		<u>(111,773)</u>	<u>(83,593)</u>
Profit/(loss) for the year		58,256	(28,180)
At 31 December 1987		<u>£(53,517)</u>	<u>£(111,773)</u>

TELLINGS-GOLDEN MILLER LIMITED

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BALANCE SHEET - AT 31 DECEMBER 1987

	Notes	1987 £	1986 £
FIXED ASSETS			
Tangible assets	11	<u>709,445</u>	<u>282,603</u>
CURRENT ASSETS			
Stocks	12	5,435	3,500
Debtors	13	148,463	332,403
Cash at bank and in hand		<u>56,377</u>	<u>32,042</u>
		210,275	367,945
CREDITORS - Amounts falling due within one year	14	<u>(295,563)</u>	<u>(194,781)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(85,288)</u>	<u>173,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		624,157	455,767
CREDITORS - Amounts falling due after more than one year	15	669,578	562,540
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>3,096</u>	<u>-</u>
TOTAL ASSETS LESS LIABILITIES		<u>£(48,517)</u>	<u>£(106,773)</u>
CAPITAL AND RESERVES			
Called up share capital	19	5,000	5,000
Profit and loss account		<u>(53,517)</u>	<u>(111,773)</u>

S. E. Telling }
C. A. Telling } Directors

23 August 1988

£(48,517)£(106,773)

TELLINGS-GOLDEN MILLER LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1987

	1987 £	1986 £
SOURCES OF FUNDS		
Profit /(loss) on ordinary activities before taxation	135,566	(28,180)
Prior year adjustment	-	(3,969)
	<u>135,566</u>	<u>(32,149)</u>
Items not involving the movement of funds		
Depreciation of fixed assets	136,307	88,680
Profit on sale of fixed assets	(109,206)	(1,152)
	<u>162,667</u>	<u>55,379</u>
Total generated from operations		
OTHER SOURCES		
Long term loans	-	260,000
Proceeds on sale of fixed assets	430,289	64,000
Obligations under hire purchase agreements	108,200	60,000
	<u>701,200</u>	<u>439,379</u>
Total sources of funds		
FUNDS APPLIED		
Provision against loan	74,214	-
Purchase of fixed assets	477,856	66,665
Tangible assets transferred from group company	406,376	-
Repayment of loan	1,162	-
	<u>£(258,452)</u>	<u>£265,058</u>
(DECREASE)/INCREASE IN WORKING CAPITAL		
Arising from movements in:		
Stocks	1,935	3,500
Debtors	(183,940)	298,008
Creditors due within one year	(15,330)	(55,072)
Hire purchase creditors	(85,452)	-
Liquid funds:		
Cash at bank and in hand	24,335	18,622
	<u>£(258,452)</u>	<u>£265,058</u>

TELLINGS-GOLDEN MILLER LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1987

1 FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern concept because Truscon Securities Limited has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

2 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Plant and equipment	25% per annum on a reducing balance basis.
Motor vehicles	12 1/2% per annum on a straight line basis.
Leasehold premises	over remaining period of lease.

(c) Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company, and hire purchase agreements are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Rentals in respect of all other leases are charged to the profit and loss account as incurred.

(d) Stocks and work in progress

Stocks are valued at the lower of cost, on a first in first out basis, and net realisable value.

(e) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

3 TURNOVER

Turnover represents amounts invoiced by the company in respect of services during the year, excluding value added tax. All turnover is derived from the hire of vehicles in the United Kingdom.

TELLINGS-GOLDEN MILLER LIMITED

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1987

4 OPERATING PROFIT is stated:

	1987 £	1986 £
(i) after charging		
Depreciation-owned assets	14,805	-
-hire purchase assets	121,502	88,680
Leasehold property rents	28,813	22,002
Auditors remuneration	3,000	-
(ii) after crediting		
Profit on disposal of fixed assets	109,206	1,152
Rental income	34,335	33,798

On 1 January 1987 the company changed its basis of depreciation on motor vehicles to that dated in note 2(b). Had the previous policy been applied in the current year there would have been an additional charge to depreciation of £64,726 and an increase in the profit on disposal of fixed assets of £10,283.

5 EMPLOYEES

The average number of persons employed by the company during the year, including directors, was as follows:

	1987	1986
Management and directors	3	4
Administration	3	3
Drivers	22	7
Total employees	28	14

Staff costs, including directors emoluments were:

	1987 £	1986 £
Wages and salaries	237,023	46,563
Social security costs	22,563	4,668
	<u>£259,586</u>	<u>£51,231</u>

TELLINGS-GOLDEN MILLER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987

6 DIRECTORS' EMOLUMENTS

	1987	1986
Remuneration, including any pension contributions	<u>£29,229</u>	<u>£6,307</u>

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

	1987	1986
Chairman	£ -	£3,321
Highest paid director	£21,636	£2,671
Other directors in scale		
	Number	Number
Nil - £5,000	3	3
£5,001-£10,000	1	-

7 INTEREST PAYABLE AND SIMILAR CHARGES

	1987 £	1986 £
Bank interest	1,178	441
Loan interest	46,783	-
Hire purchase interest	<u>102,931</u>	<u>55,659</u>
	<u>£150,892</u>	<u>£56,100</u>

8 TAXATION

The charged based on the results for the year comprises:

	1987 £	1986 £
Deferred	<u>3,096</u>	<u>-</u>

There is no charge to current tax arising on trading profits due to the availability of losses brought forward from previous years under S393 (1) ICTA 1988. The company has losses of approximately £400,000 available to carry forward against future taxable profits.

TELLINGS-GOLDEN MILLER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987

9 EXTRAORDINARY ITEM

The extraordinary item consists of the following:

	1987	1986
Provision against recovery of loan due from a group company	£74,214	£ -

10 PRIOR YEAR ADJUSTMENT

	1987	1986
	£ -	£3,969

A prior year adjustment was made in 1986 because the company changed its method of accounting for interest on hire purchase agreements.

11 TANGIBLE FIXED ASSETS

	Leasehold premises £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 31 December 1986	-	4,685	418,685	423,370
Assets transferred	70,189	8,680	506,707	585,576
Additions	-	15,744	462,112	477,856
Disposals	-	-	(515,346)	(515,346)
At 31 December 1987	70,189	29,109	872,158	971,456
Depreciation				
At 31 December 1986	-	1,975	138,792	140,767
Transfers	-	3,245	175,955	179,200
Charge for year	3,052	3,436	129,819	136,307
Disposals	-	-	(194,263)	(194,263)
At 31 December 1987	3,052	8,656	250,303	262,011
Net book value				
At 31 December 1987	£67,137	£20,453	£621,855	£709,445
Net book value				
At 31 December 1986	£ -	£2,710	£279,893	£282,603

The assets were transferred on 1 January 1987 from Tellings Coaches of Weybridge Ltd as part of the acquisition of that company's trade, assets and liabilities.

The net book value includes the following in respect of hire purchase assets

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987

11 TANGIBLE FIXED ASSETS (continued)

	1987 £	1986 £
Plant and equipment	9,389	-
Motor vehicles	614,397	279,893
	<u>£623,786</u>	<u>£279,893</u>

12 STOCKS

	1987	1986
Fuel stock	£5,435	£3,500
	<u>£5,435</u>	<u>£3,500</u>

13 DEBTORS

	1987 £	1986 £
Trade debtors	79,621	62,080
Amounts owed by group companies	450	251,979
Other debtors	44,275	-
Prepayments and accrued income	24,117	18,344
	<u>£148,463</u>	<u>£332,403</u>

14 CREDITORS - Amounts falling due within one year

	1987 £	1986 £
Trade creditors	42,860	32,759
Amounts owed to group companies	-	51,000
Taxation and social security	33,389	10,108
Other creditors	29,580	-
Hire purchase creditors	161,035	75,583
Accruals and deferred income	28,599	25,331
	<u>£295,563</u>	<u>£194,781</u>

TELLINGS-GOLDEN MILLER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987

15 CREDITORS - Amounts falling due after more than one year

	1987 £	1986 £
Hire purchase creditors	310,740	202,540
Loans	358,838	360,000
	<u>£669,578</u>	<u>£562,540</u>

16 PROVISIONS FOR LIABILITIES AND CHARGES

	1987 £	1986 £
Deferred taxation		
Accelerated capital allowances	145,694	127,860
Losses carried forward	142,598	127,860
	<u>3,096</u>	<u>£ -</u>

17 LOANS

The loans are secured by fixed and floating charges on the freehold and leasehold properties and assets of the company. The debenture is in favour of Truscon Securities Limited. There are no fixed terms of repayment of the loan.

18 OBLIGATIONS UNDER HIRE PURCHASE AGREEMENTS

The capital amounts due under hire purchase agreements are as follows

	1987 £	1986 £
Within one year	161,035	75,583
Within two to five years	310,740	202,540
	<u>£471,775</u>	<u>£278,123</u>

TELLINGS-GOLDEN MILLER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987

19 CALLED UP SHARE CAPITAL

	1987	1986
Authorised 5,000 ordinary shares of £1 each	<u>£5,000</u>	<u>£5,000</u>
Allotted, called up and fully paid 5,000 ordinary shares of £1 each	<u>£5,000</u>	<u>£5,000</u>

20 FINANCIAL COMMITMENTS

Authorised future capital expenditure at 31 December 1987 amounted to

	1987 £	1986 £
Contracted	533,250	-
Not contracted	<u>-</u>	<u>-</u>
	<u>£533,250</u>	<u>£ -</u>

The annual commitment under non-cancellable operating leases was as follows:

	Land and buildings	
	1987 £	1986 £
Leases expiring within one year	-	-
within two to five years	-	-
in over five years	27,500	27,500
	<u>£27,500</u>	<u>£27,500</u>

21 PARTICULARS OF TRANSACTIONS INVOLVING DIRECTORS

During the year the company was charged £46,783 interest by Truscon Securities Limited. Mr J E Gradock has a material interest in this transaction by virtue of his majority shareholding in Truscon Securities Limited.

22 HOLDING COMPANY

The ultimate holding company is Truscon Leisure Limited, a company incorporated in England.