

Southern Vectis plc

Unaudited interim financial statements

Registered number 2005917

20 November 2000



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Statement of directors' responsibilities

The directors are responsible for the preparation of these unaudited interim financial statements in accordance with the requirements of sections 270 and 272 of the Companies Act 1985.

Profit and loss account

for the period from 1 May 2000 to 20 November 2000

	<i>Note</i>	£000
Turnover		-
Operating costs	2	(668)
		<hr/>
Operating loss		(668)
Income from shares in group undertakings		3,133
Interest payable and similar charges	3	(85)
		<hr/>
Retained profit for the financial period		2,380
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The notes on pages 5 to 11 form part of these financial statements.

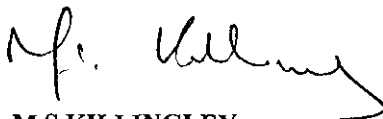
All items shown arise from continuing operations. There are no other recognised gains or losses other than those shown above.

Balance sheet
at 20 November 2000

	<i>Note</i>	£000	£000
Fixed assets			
Tangible assets	4		1,453
Investments	5		5,185
			<hr/>
			6,638
Current assets			
Debtors	6	3,639	
Cash at bank and in hand		1,294	
		<hr/>	
		4,933	
Creditors: amounts falling due within one year	7	(1,970)	
		<hr/>	
Net current assets			2,963
			<hr/>
Total assets less current liabilities			9,601
			<hr/>
Creditors: amounts falling due after more than one year	8		(3,000)
Provisions for liabilities and charges	9		(91)
			<hr/>
Net assets			6,510
			<hr/>
Capital and reserves			
Called up share capital	10		1,975
Revaluation reserve	11		153
Merger relief reserve	11		375
Profit and loss account	11		4,007
			<hr/>
Equity shareholders' funds			6,510
			<hr/>

The notes on pages 5 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on 13 December 2000
and were signed on its behalf by:


M S KILLINGLEY
Director

Note of historical cost profits and losses
for the period from 1 May 2000 to 20 November 2000

	£000
Reported profit on ordinary activities before taxation	2,380
Realisation of property revaluation gains of previous years	1,402
	<hr/>
Historical cost profit on ordinary activities before taxation and retained	3,782
	<hr/>

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain freehold land and buildings and investments.

Fixed assets and depreciation

Since the adoption by the company of Financial Reporting Standard Number 15 on 1 May 1999, the company's policy has been not to revalue its fixed assets. Consequently the transitional provisions of Financial Reporting Standard 15 have been applied and while previous valuations have been retained, they have not been updated.

Depreciation is provided by the company so as to write off the cost of tangible fixed assets over their estimated useful economic lives on a straight line basis, as follows:

Freehold buildings	10 – 40 years
Leasehold buildings	40 years or length of lease if shorter
Plant and equipment	5 - 10 years

Deferred taxation

Deferred taxation is provided using the liability method in respect of the tax effect of all material timing differences between the treatment of certain items for tax and accounting purposes only to the extent that it is probable that liabilities will crystallise in the foreseeable future.

Notes (continued)

2 Operating costs

	Period ended 20 N 2000 £000
Staff costs	44
Other operating charges	624
	<hr/>
	668
	<hr/>

Included in other operating charges are £610,000 of exceptional costs. These consist of professional fees relating to the proposed distribution in specie of a subsidiary undertaking.

3 Interest payable and similar charges

	Period ended 20 N 2000 £000
Bank interest payable	85
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Notes (continued)

4 Tangible fixed assets

	Land and buildings		Plant and equipment	Total
	Freehold £000	Short leasehold £000	£000	£000
Cost				
At 1 May 2000	3,528	145	11	3,684
Disposals	(1,997)	-	-	(1,997)
	<hr/>	<hr/>	<hr/>	<hr/>
At 20 November 2000	1,531	145	11	1,687
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 May 2000	269	57	11	337
Charge for period	7	7	-	14
Disposals	(117)	-	-	(117)
	<hr/>	<hr/>	<hr/>	<hr/>
At 20 November 2000	159	64	11	234
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 20 November 2000	1,372	81	-	1,453
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 May 2000	3,259	88	-	3,347
	<hr/>	<hr/>	<hr/>	<hr/>

The gross book value of freehold land and buildings includes £585,000 of depreciable assets.

The freehold land and buildings disposed of during the period were revalued at 30 April 1988 on an existing use basis. The disposal was made to the Southern Vectis Omnibus Company Limited, a subsidiary undertaking, at net book value.

All freehold land and buildings were valued at 23 January 1998. The land and buildings were valued by Prince Smart Chartered Surveyors on an existing basis. The results of this valuation have not been reflected in these financial statements as they were not significantly different to net book value.

Notes (continued)

5 Fixed asset investments

Fixed asset investments relate to shares in group undertakings stated at cost or valuation.

	Shares in group Undertakings £000
Cost or valuation	
At 1 May 2000 and 20 November 2000	5,216
Provision	
At 1 May 1999 and 20 November 2000	31
Net book value	
At 1 May 2000 and 20 November 2000	5,185

The following is a list of the company's subsidiary undertakings, which are not dormant:

Subsidiary	Principal activities	Country of incorporation and operation	Proportion of Ordinary shares held by the company
Southern Vectis Transport Limited	Holding company	UK	100%
The Southern Vectis Omnibus Company Limited	Public transport operator	UK	100%*
Musterphantom Limited	Public transport operator	UK	100%*
Vikki Osborne (IW) Holidays Limited	Package holiday operator	UK	100%*
Southern Vectis Commercials Limited	Commercial vehicle engineering	UK	100%*
Southern Vectis Coaches Limited	Coach operator	UK	100%*
Vikoma International Limited	Oil spill containment and recovery	UK	100%
Conder Products Limited	Waste water treatment	UK	100%*
Conder Sewage Technology Limited	Waste water treatment	UK	100%*

* Shares not held by the company, but by a subsidiary.

The company also owns 20% of the ordinary share capital of the Kaliskie Linie Autobusow and 29% of the ordinary share capital of Chelm Linie Autobusow. Both of these companies are registered in and operate in Poland.

Notes (continued)

6 Debtors

	2000
	£000
Amounts owed by group undertakings	3,576
Other debtors	63
	<hr/>
	3,639
	<hr/>

7 Creditors: amounts falling due within one year

	2000
	£000
Bank loans and overdrafts	559
Amounts owed to group undertakings	777
Other creditors	24
Accruals and deferred income	610
	<hr/>
	1,970
	<hr/>

8 Creditors: amounts falling due after more than one year

	2000
	£000
Bank loans	3,000
	<hr/>

Notes (continued)

9 Provisions for liabilities and charges

	Deferred taxation £000
Balance at 30 April 2000 and 20 November 2000	91

The amounts provided for deferred taxation and the amounts not provided are set out below:

	20 November 2000 Provided £000	Not Provided £000
Excess of capital allowances over depreciation	91	-

10 Called up share capital

	2000 £000
<i>Authorised:</i> 30,000,000 Ordinary shares of 10p each	3,000
<i>Allotted, called up and fully paid:</i> 19,754,309 Ordinary shares of 10p each	1,975

11 Reserves

	Revaluation Reserve £000	Merger Relie Reserve £000	Profit and loss account £000
Balance at 1 May 2000	833	37	947
Retained profit for the period	-		2,380
Transfer of realised profits	(680)		680
Balance at 20 November 2000	153	37	4,007

Notes *(continued)*

12 Reconciliation of movements in shareholders' funds

	£000
Profit for the period	2,380
Net addition to shareholders' funds	2,380
Shareholders' funds at 1 May 2000	4,130
Shareholders' funds at 20 November 2000	6,510

13 Commitments

There were no capital commitments at 20 November 2000.

14 Contingent liabilities

The company has provided its bankers with an unlimited guarantee in respect of its subsidiary undertakings as follows:

Musterphantom Limited
 The Southern Vectis Omnibus Company Limited
 Southern Vectis Transport Limited

At 20 November 2000 the net overdraft of these companies totalled £961,000.