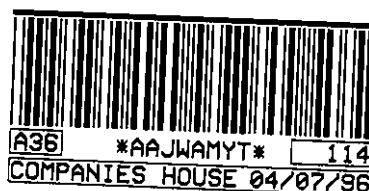

LDT LIMITED

Report and Financial Statements

◆ Period Ended 30 December 1995 ◆



Company No: 2116519

CONTENTS

	Page
Company Information	1
Report of the Directors	2-4
Report of the Auditors	5
Profit and loss account	6
Note of historical cost profits and losses	7
Reconciliation of movement in shareholders' funds	7
Balance Sheet	8
Notes to the financial statements	9-26

LDT LIMITED

COMPANY INFORMATION

Directors	D T Williams G G Watt S P Bayfield D R Martin P Harvey A W Severn R C Dyball
Secretary	British Bus (Company Secretaries) Ltd
Registered Office	Castle Street Luton LU1 3AJ
Registered Number	2116519
Auditors	Robson Rhodes Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	Bank of Scotland PLC 144-148 High Street Southampton SO14 2JF

LDT LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the period ended 30 December 1995.

Principal activities

The principal activities of the company are the operation of bus and coach services.

Business review and future developments

1995 has been a year of substantial progress for the business, reflecting the reviews and rationalisation which took place in late 94 and into 95.

In April the company launched a new livery and corporate trading title - The Shires. With the legal name being changed from Luton & District Transport in May.

The bus operations of Buffalo Travel and Motts Travel were acquired in May and July respectively.

The Directors anticipate further opportunities for growth in the future.

Results and dividends

The profit for the period after tax amounted to £2,823,000 (1994 - loss £394,000). It is recommended that this amount be dealt with as follows:-

	£000
Dividends	3000
Transfer from Reserves	<u>(177)</u>
	<u>2823</u>

Fixed assets

The movements in fixed assets accounts are set out in Notes 9, 10 and 11 to the financial statements.

Directors

The Directors of the Company at the date of this report are set out on page 1.

Mr D Martin was appointed on 25 April 1995 and Mr S Bayfield on 9 November 1995. All other Directors served throughout the period.

No Director had any interest in the Company's shares notifiable in accordance with the Companies Act 1985.

LDT LIMITED

REPORT OF THE DIRECTORS (Continued)

The ultimate parent company, British Bus Group Limited, has a share option scheme by which certain directors and other employees are able to subscribe for ordinary shares.

The interests of Messrs D T Williams, G G Watt, D R Martin and S P Bayfield who are also directors of British Bus Group Limited, in this option scheme and the share capital in general are disclosed in the directors' report of that company.

The interests of the remaining directors are as follows:-

	Options over British Bus Group Ltd B Ordinary Shares of 50p each
P Harvey	36,000
A W Severn	-
R C Dyball	-

The option price per share is 500p and the final date of exercise is 11 April 2002.

Donations

The company made no charitable or political donations during the period (1994 - £Nil).

Directors' responsibilities

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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which 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 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.

LDT LIMITED

REPORT OF THE DIRECTORS (Continued)

Market value of land and buildings

In the opinion of the Directors the market value of the company's properties is not materially different from their recorded value.

Employee involvement

The company aims to provide all its employees with information on matters of concern to them as employees and to keep them involved in, and aware of, the company's activities and performance. The company is concerned with employees' health and safety and pays particular attention to the health and safety at work legislation.

Decisions are made wherever possible in consultation with employee representatives.

The company operates a Profit Related Pay Scheme in which all employees are invited to participate.

Disabled persons

It is the company's policy to give full and fair consideration to applications for suitable employment by disabled persons having regard to their individual aptitudes and abilities.

Opportunities also exist for employees of the company who become disabled to continue in employment or to be trained for other positions in the company's employment wherever this is practical.

Auditors

The auditors, Robson Rhodes, are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the Directors was approved by the Board on 9 May 1996 and signed on its behalf by:


P HARVEY

AUDITORS' REPORT TO THE SHAREHOLDERS OF LDT LIMITED

We have audited the financial statements on pages 6 - 26 which have been prepared on the basis of the accounting policies set out on pages 9 & 10.

Respective responsibilities of directors 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.

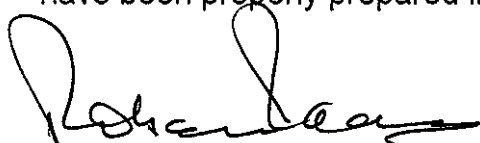
Basis of opinion

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 judgements made by the directors in the preparation of the financial statements, and of 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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 affairs of the company as at 30 December 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Birmingham

10/5/ 1996

LDT LIMITED

PROFIT AND LOSS ACCOUNT
for the period ended 30 December 1995

	Note	Period Ended 30 December 1995 £'000	15 Months Ended 31 December 1994 £'000
Turnover : Continuing Activities	1	31436	36780
Cost of Sales		<u>(22324)</u>	<u>(25874)</u>
Gross Profit		9112	10906
Administrative Expenses		(5248)	(8714)
Amortisation of Goodwill	9	(286)	(344)
Other Operating Income	3	396	435
Operating Profit : Continuing Activities	2	<u>3974</u>	<u>2283</u>
Costs of Fundamental Restructuring		-	(1254)
Interest : Receivable	4	192	54
Payable	5	<u>(1333)</u>	<u>(1207)</u>
Profit/(Loss) on Ordinary Activities Before Tax		2833	(124)
Tax on Ordinary Activities	8	<u>(10)</u>	<u>(270)</u>
Profit/(Loss) on Ordinary Activities after Taxation		2823	(394)
Dividends		(3000)	-
Loss for the Period		<u><u>(177)</u></u>	<u><u>(394)</u></u>

There were no recognised gains or losses for the two periods ended 30 December 1995 other than as disclosed above.

LDT LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the period ended 30 December 1995

	Period ended 30 December 1995 £'000	15 Months ended 31 December 1994 £'000
Reported profit/(loss) on ordinary activities before taxation	2833	(124)
Excess of actual depreciation charge over historical cost depreciation	-	14
Historical cost profit/(loss) on ordinary activities before taxation	<u>2833</u>	<u>(110)</u>
Retained historical cost (Loss)	<u>(177)</u>	<u>(380)</u>


RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the period ended 30 December 1995

	Period Ended 30 December 1995 £'000	15 Months Ended 31 December 1994 £'000
Total recognised (Losses)	(177)	(394)
Shares Issued	-	39
Opening shareholders' funds	<u>(177)</u> 1157	<u>(355)</u> 1512
Closing shareholders' funds	<u>980</u>	<u>1157</u>

LDT LIMITED**BALANCE SHEET**
at 30 December 1995

	Note	30 December 1995 £'000	31 December 1994 £'000
Fixed assets			
Intangible assets	9	4390	4477
Tangible assets	10	15755	15559
Investments	11	1212	1212
		<u>21357</u>	<u>21248</u>
Current assets			
Stock	12	433	355
Debtors	13	1710	1525
Cash at Bank and in hand		2196	1084
		<u>4339</u>	<u>2964</u>
Creditors: Amounts falling due within one year	14	(8341)	(6747)
Net Current liabilities		<u>(4002)</u>	<u>(3783)</u>
Total assets less current liabilities		17355	17465
Creditors: Amounts falling due after more than one year	15	(15019)	(14884)
Provision for liabilities and charges	16	(1356)	(1424)
Net assets		<u>980</u>	<u>1157</u>
Capital and reserves			
Called up share capital	17	728	728
Revaluation reserve	18	-	1307
Profit and loss account	18	252	(878)
Equity Shareholders' funds		<u>980</u>	<u>1157</u>

The financial statements were approved by the Board on 9 May 1996 and signed on its behalf by:


P HARVEY
Director

NOTES TO THE FINANCIAL STATEMENTS

30 December 1995

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain land and buildings.

The Company is itself a wholly owned subsidiary of a company preparing Group Accounts and has therefore not produced Consolidated Accounts. Accordingly the financial statements present information relating only to the Company and not the Group.

Turnover

Turnover consists of the gross revenue for road passenger transport together with the aggregate of amounts receivable for other services and goods supplied in the ordinary course of business, excluding VAT.

Operating Lease Income

Rental income from assets held for use in operating leases is recognised in the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments are stated at cost less provision for permanent diminution in value. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest.

Goodwill and amortisation

Goodwill is amortised through the profit and loss account in equal annual instalments. The amortisation is over a period of twenty years, which the Directors consider to be the useful economic life.

Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold buildings	50 years
Public service vehicles	5-15 years
Plant and machinery	5-10 years
Fixtures, fittings and equipment	5-10 years
Other motor vehicles	3-5 years

NOTES TO THE FINANCIAL STATEMENTS

30 December 1995

1. ACCOUNTING POLICIES (Continued)

Leased assets

Where assets are financed by leasing agreements ('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 under the actuarial method.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Stocks

Stock consists of engineering spare parts, spare units and fuel and is valued at the lower of cost and estimated net realisable value. Full provision is made in respect of obsolete stock.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Group relief is only recognised when there are sufficient profits available in other Group Companies to enable utilisation. The utilising companies pay for Group relief on the basis of tax saved.

Pensions

The company operates a pension scheme providing benefits based on the greater of final pensionable pay and defined contributions. The assets of the scheme are invested and managed independently of the finances of the company. The pension cost charge represents contributions payable in the period.

Deferred tax is fully accounted for on any difference between accumulated pension costs charged against profit and accumulated contributions paid.

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**2. OPERATING PROFIT**

Operating profit is arrived at after charging:

	Period ended 30 December 1995 £'000	15 Months ended 31 December 1994 £'000
Operating lease rentals :		
- plant and machinery	106	206
- property rentals	532	648
Auditors' remuneration: Audit	5	26
Other services	14	14
Depreciation of tangible fixed assets	1578	1958
	<hr/>	<hr/>

3. OTHER OPERATING INCOME

	Period ended 30 December 1995 £'000	15 months ended 31 December 1994 £'000
Profit on sale of fixed assets	94	75
Commercial advertising	220	296
Rental income	82	64
	<hr/>	<hr/>
	396	435
	<hr/> <hr/>	<hr/> <hr/>

LDT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**4. INTEREST RECEIVABLE**

	Period ended 30 December 1995 £'000	15 Months ended 31 December 1994 £'000
Bank interest	192	2
Investment income from Group companies	-	45
Other interest	-	7
	<hr/>	<hr/>
	192	54
	<hr/>	<hr/>

5. INTEREST PAYABLE

	Period Ended 30 December 1995 £'000	15 Months ended 31 December 1994 £'000
Interest on leased assets	631	529
Interest on loans and overdrafts repayable wholly within five years	702	678
	<hr/>	<hr/>
	1333	1207
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**6. EMPLOYEES**

Average weekly number of employees, including directors:

	Period ended 30 December 1995 No.	15 Months ended 31 December 1994 No.
Drivers	842	802
Maintenance and engineers	185	193
Administrative staff	165	160
	<hr/>	<hr/>
	1192	1155
	<hr/>	<hr/>

Staff costs, including Directors:

	Period ended 30 December 1995 £'000	15 Months ended 31 December 1994 £'000
Wages and salaries	15212	18396
Social security costs	1219	1482
Other pension costs	1061	1433
Redundancy costs	4	97
	<hr/>	<hr/>
	17496	21408
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**7. DIRECTORS**

Emoluments of the company's Directors:

	Period ended 30 December 1995 £'000	15 Months ended 31 December 1994 £'000
Remuneration including pension contributions	<u>175</u>	<u>317</u>

Emoluments exclusive of pension contributions:

The emoluments of the chairman were £Nil(1994 - £Nil). The emoluments of the highest paid director were £71,000 (1994 - £73,000). The emoluments of the directors, also exclusive of pension contributions, were in the following ranges:

	Period ended 30 December 1995 £'000	15 Months ended 31 December 1994 £'000
£0 - £5,000	4	3
£5,001 - £10,000	-	1
£10,001 - £15,000	-	1
£15,001 - £20,000	-	1
£20,001 - £25,000	-	1
£25,001 - £30,000	-	1
£30,001 - £35,000	-	1
£35,001 - £40,000	-	1
£40,001 - £45,000	1	-
£45,001 - £50,000	1	-
£50,001 - £55,000	-	1
£55,001 - £60,000	-	1
£60,001 - £65,000	-	1
£65,001 - £70,000	-	1
£70,001 - £75,000	1	2

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**8. TAXATION AND GROUP RELIEF**

Taxation charge for the year:

	Period ended 30 December 1995 £'000	15 Months ended 31 December 1994 £'000
Corporation tax at 33% (1994 - 33%)	160	270
Adjustment for previous years	(150)	-
	<hr/>	<hr/>
	10	270
	<hr/>	<hr/>

9. INTANGIBLE ASSETS

	Goodwill £'000
Cost	
At 31 December 1994	5802
Additions	199
At 30 December 1995	<hr/> 6001
Amortisation	
At 31 December 1994	1325
Amortisation for the period	286
At 30 December 1995	<hr/> 1611
Net Book Value	
At 30 December 1995	<hr/> 4390
At 31 December 1994	<hr/> 4477

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995

10. TANGIBLE ASSETS

	Land & buildings £'000	Public service vehicles £'000	Assets held for use in operating leases £'000	Plant, machinery fixtures & motor vehicles £'000	Total £'000
Cost or valuation					
At 31 December 1994	8617	16715	-	2126	27458
Inter-group transfers	(8207)	616	1000	(18)	(6609)
Additions	92	5713	1690	471	7966
Disposals	-	(1353)	-	(210)	(1563)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 1995	502	21691	2690	2369	27252
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 31 December 1994	596	9647	-	1656	11899
Inter-group transfers	(615)	79	67	(11)	(480)
Charge for the period	137	1212	-	229	1578
Disposals	-	(1293)	-	(207)	(1500)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 1995	118	9645	67	1667	11497
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 30 December 1995	384	12046	2623	702	15755
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	8021	7068	-	470	15559
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of the tangible fixed assets includes £14,181,000 (1994 - £7,012,000) in respect of assets held under finance leases. Depreciation in the year on those assets amounted to £1,113,000 (1994 - £1,466,000).

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**10. TANGIBLE ASSETS (Continued)**

Land and buildings comprise:

	Freehold properties £'000	Leasehold properties £'000	Total £'000
Cost	-	502	502
	<hr/>	<hr/>	<hr/>
Depreciation	-	118	118
	<hr/>	<hr/>	<hr/>
At 30 December 1995	-	384	384
	<hr/>	<hr/>	<hr/>
At 31 December 1994	6266	1755	8021
	<hr/>	<hr/>	<hr/>

The company's properties were revalued at the above date on the basis of their open market value. Valuations were carried out by members of the Royal Institution of Chartered Surveyors, in accordance with SAVP and RICS guidance notes. The valuer was independent of the company.

If the properties had not been revalued they would have been included in the balance sheet at the following amounts:

	Freehold properties £'000	Leasehold properties £'000	Total £'000
Cost	-	502	502
Depreciation	-	118	118
	<hr/>	<hr/>	<hr/>
At 30 December 1995	-	384	384
	<hr/>	<hr/>	<hr/>
At 31 December 1994	4877	1755	6632
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995

11. INVESTMENTS

	Subsidiary Companies £'000	Associated Companies £'000	Total £'000
Cost			
At 1 January 1995			
& 30 December 1995	<u>1294</u>	<u>3</u>	<u>1297</u>
Provisions			
At 1 January 1995			
& 30 December 1995	<u>85</u>	<u>-</u>	<u>85</u>
Net Book Value			
At 1 January 1995			
& 30 December 1995	<u>1209</u>	<u>3</u>	<u>1212</u>

Subsidiaries

The shares in subsidiary undertakings, all of which are wholly owned, comprise:

	Status	Class of Shares Held
Lynbrel Limited	Dormant	Ordinary
Milton Keynes Coaches Limited	Dormant	"
Red Rover Omnibus Limited	Dormant	"
Hoppanstopper Limited	Non-Trading	"
London Country Bus (North West) Ltd	Non-Trading	"
Stuart Palmer Travel Limited	Driver Services	"
British Bus Training Limited	Dormant	"
Chiltern Bus Limited	Dormant	"
Dunstable Bus Limited	Dormant	"
Hemel Bus Limited	Dormant	"
Hitchin Bus Limited	Dormant	"
Luton Bus Limited	Dormant	"

NOTES TO FINANCIAL STATEMENTS
31 December 1995**11. INVESTMENTS (Continued)**

Watford Bus Limited	Dormant	"
Stevenage Bus Limited	Dormant	"
Chiltern European Limited	Dormant	"
Clydeside Buses Limited	Bus & Coach Operator	"

Clydeside Buses Limited is registered in Scotland. All other subsidiaries are registered in England and Wales.

Associated Company

The investment in associates represents a 25% interest in the ordinary share capital of Green Line Travel Ltd., a company registered in England and Wales. Green Line Travel Ltd is a dormant company with net assets of £8,000 at 30 December 1995.

12. STOCKS

	30 December 1995 £'000	31 December 1994 £'000
Raw material and consumables	433	355
	<u> </u>	<u> </u>

The replacement cost of the above stocks would not be significantly different from the values stated.

13. DEBTORS

	30 December 1995 £'000	31 December 1994 £'000
Trade debtors	1014	693
Amounts owed by parent and fellow subsidiary undertakings	97	29
Amounts owed by own subsidiary undertakings	-	12
Other debtors	81	275
Prepayment and accrued income	518	516
	<u>1710</u>	<u>1525</u>

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 December 1995 £'000	31 December 1994 £'000
Borrowings:		
Obligations under finance leases	2580	1474
Trade creditors	2555	2278
Amounts owed to fellow subsidiary undertakings	213	104
Corporation tax	242	279
Other taxation and social security	1159	818
Other creditors	768	1014
Accruals and deferred income	527	594
Pension contribution accrued	297	186
	<hr/>	<hr/>
	8341	6747
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30 December 1995 £'000	31 December 1994 £'000
Obligations under finance leases:		
Due within 1 to 2 years	2417	1299
Due within 2 to 5 years	5288	2743
Due after 5 years	1668	494
Third party loans	250	500
Amounts owed to parent undertaking	4234	8686
Amounts owed to own subsidiary undertakings	1162	1162
	<hr/>	<hr/>
	15019	14884
	<hr/>	<hr/>

The creditor in respect of finance leases repayable after more than five years represents a number of separate agreements, repayable by quarterly instalments and carrying commercial rates of interest.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	30 December 1995 £'000	Created in period £'000	Utilised in period £'000	31 December 1994 £'000
Holiday pay	51	51	(195)	195
Insurance	719	657	(72)	134
Redundancy payments	20	4	(158)	174
Other	566	235	(590)	921
	<hr/>	<hr/>	<hr/>	<hr/>
	1356	947	(1015)	1424
	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
30 DECEMBER 1995****16. PROVISIONS FOR LIABILITIES AND CHARGES (Continued)**

There is no provision for deferred taxation, amounts not provided for the two periods ended 30 December 1995 were as follows:-

	30 December 1995 £'000	31 December 1994 £'000
Capital Allowances	985	667
Short-term timing differences	(299)	(395)
Unutilized tax losses	-	(25)
	<u>686</u>	<u>247</u>

17. SHARE CAPITAL

	30 December 1995 £'000	31 December 1994 £'000
Authorised		
100,000,000 ordinary shares of 10p each	10,000	10,000
	<u> </u>	<u> </u>
Allotted and fully paid		
7,283,059 ordinary shares of 10p each	728	728
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**18. RESERVES**

	Revaluation Reserve £'000	Profit and Loss Account £'000
At 1 January 1995 as previously reported	1307	(878)
Result for the period	-	(177)
Transfer	(1307)	1307
	<hr/>	<hr/>
	<u>-</u>	<u>252</u>

The disposal of various properties has led to the transfer from the revaluation reserve to the profit and loss account.

19. FINANCIAL COMMITMENTS**Capital commitments**

Capital expenditure commitments were as follows:

	30 December 1995 £'000	31 December 1994 £'000
Contracted for, but not provided in the accounts	-	47
Authorised by the directors but not contracted	-	-
	<hr/>	<hr/>
	<u>-</u>	<u>47</u>

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995**19. FINANCIAL COMMITMENTS (Continued)****Operating lease commitments**

The payments which the company is committed to make in the next year under operating leases are as follows:

	30 December 1995 £'000	31 December 1994 £'000
(i) Land and buildings, leases expiring		
within one year	-	-
one to two years	-	-
two to five years	115	115
over five years	235	235
	<hr/>	<hr/>
	350	350
	<hr/>	<hr/>
(ii) Plant and machinery, leases expiring		
within one year	41	1
one to two years	20	42
two to five years	18	36
	<hr/>	<hr/>
	79	79
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995

20. PENSION COMMITMENTS

The Group operates a pension scheme (The LDT Personal Pension Plan) providing benefits based on the greater of final pensionable pay and defined contributions. The assets of the scheme are held separately from those of the Group, being invested in managed funds and a Building Society. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the defined accrued benefits method. The most recent actuarial valuation was at 6th April 1994 which showed that the market value of the Scheme's assets was £11,532,000. The assets were sufficient to cover 96% of the liabilities on the method and assumptions employed by the actuary. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the future investment return would be 9% per annum in the ongoing Scheme and that salaries would increase by 6.5% per annum and future pensions would increase at the rate of 3% per annum.

The funding level measured on the Projected Accrued Benefit Method on the valuation date was 96%.

The pension charge for the year was £1,061,000 (1994 £1,283,000). Subsequently contributions of the Group will be at the rate of 12.8% of earnings, less employees' contributions which are based on an age related scale. This is in accordance with the recommendations of the actuary.

One of the subsidiaries, London Country Bus (North West) Limited operated a pension scheme providing benefits based on the greater of final pensionable pay and defined contributions. At the date of acquisition, all employees were transferred to the LDT Personal Pension Plan. The London Country Bus (North West) Scheme had been closed from 30th November 1990.

The Company have taken steps to fund a deficit existing in the LCNW Scheme and an actuarial review carried out as at 30th September 1995 indicated that the LCNW Scheme was 100% funded on the valuation method and assumptions used to carry out the valuation of the LDT Personal Pension Plan in 1994. The total contributions paid to the scheme over the financial year amounted to £230,000. The Scheme was wound up on 30th September 1995 and all assets and liabilities transferred to the LDT Personal Pension Plan.

NOTES TO THE FINANCIAL STATEMENTS
30 December 1995

21. CONTINGENT LIABILITIES

The Company has given a joint guarantee in respect of the bank borrowings of other companies within the British Bus Group.

At 30 December 1995, these borrowings amounted to £102,325,000.

The Group's borrowings are secured by fixed charges over all group properties and floating charges over all other assets.

22. PARENT UNDERTAKING

The ultimate parent company is British Bus Group Limited, which is registered in England and Wales.

Its group accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.