
Timeultra Limited

Report and Accounts

31 December 1995

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Timeultra Limited

Registered No. 2666630

DIRECTORS

M G Trathen (Chairman)

D J Trathen

SECRETARY

D J Trathen

AUDITORS

Ernst & Young

Broadwalk House

Southernhay West

Exeter

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BANKERS

Lloyds Bank PLC

8 Royal Parade

Plymouth

Devon

PL1 1JB

REGISTERED OFFICE

Walkham Business Park

Burrington Way

Plymouth

PL5 3LS

Timeultra Limited

DIRECTORS' REPORT

The directors present their report and group accounts for the year ended 31 December 1995.

RESULTS AND DIVIDENDS

The profit for the year, after taxation amounted to £711,093. An interim dividend of £99,167 was paid during the year. The directors do not propose the payment of a final dividend.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the Group is that of an express coach operator.

The directors consider the Group to be in a good financial position at the year end and it is well placed to take advantage of any opportunities which may arise in the future.

FIXED ASSETS

Changes in tangible fixed assets during the year are set out in note 11 to the accounts.

POST BALANCE SHEET EVENT

As set out in note 26 to the accounts the entire share capital of the company's parent undertaking Square Wheels Limited, was acquired by Parks of Hamilton (Holdings) Limited on 28 May 1996. On this date Timeultra Limited also repurchased the entire issued capital of its 'A' Ordinary shares at a cost of £700,000. As part of the sale agreement the directors acquired the freehold property and certain of the stocks of the group as shown in the note to the accounts.

DIRECTORS AND THEIR INTERESTS

	<i>At 31.12.95</i>	<i>At 31.12.94</i>
	<i>'B' Ordinary shares</i>	<i>'B' Ordinary shares</i>
	<i>of £1 each</i>	<i>of £1 each</i>
M G Trathen	Nil	23,001
D J Trathen	Nil	12,500

The directors interests in the share capital of the company were transferred to the new parent undertaking, Square Wheels Limited, on 27 November 1995. The directors interests in the share capital of this company are as follows:

	<i>At 31.12.95</i>
	<i>Ordinary shares</i>
	<i>of 1p each</i>
M G Trathen	6,620
D J Trathen	3,380

POLITICAL AND CHARITABLE DONATIONS

During the year Trathens Travel Services Limited made charitable donations of £71 (1994 - £324).



D J Trathen
Secretary

Timeultra Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

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

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of Timeultra Limited

We have audited the accounts on pages 7 to 23 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

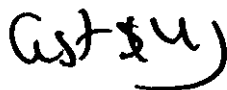
Basis of opinion

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 group'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 that the accounts 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 accounts.

Opinion

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



Ernst & Young
Chartered Accountants
Registered Auditor
Exeter
28 May 1996

Timeultra Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 1995

	Notes	1995 £	1994 £
TURNOVER	2	6,916,287	6,123,046
Cost of sales		5,296,720	4,762,634
Gross profit		1,619,567	1,360,412
Other operating income		40,000	40,000
Other operating expenses		(734,105)	(641,592)
OPERATING PROFIT	3	925,462	758,820
Profit on disposal of tangible fixed assets		116,657	45,683
Provision for diminution in value of freehold property		(300,842)	-
Interest receivable		3,962	-
Interest payable and similar charges	7	(422,804)	(354,522)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		322,435	449,981
Tax on profit on ordinary activities	8	388,658	(149,307)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		711,093	300,674
Dividends - equity	9	99,167	60,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		611,926	240,674

The group has no recognised gains or losses other than the profit attributable to shareholders of the group of £711,093 in the year ended 31 December 1995.

Timeultra Limited

BALANCE SHEETS

at 31 December 1995

	Notes	1995 £	Group 1994 £	1995 £	Company 1994 £
FIXED ASSETS					
Intangible	10	-	18,243	-	-
Tangible assets	11	6,042,677	4,183,332	340,000	378,398
Investments	12	-	-	975,000	975,000
		<u>6,042,677</u>	<u>4,201,575</u>	<u>1,315,000</u>	<u>1,353,398</u>
CURRENT ASSETS					
Stocks	13	111,234	185,695	-	-
Debtors	14	1,076,083	701,461	24,799	24,452
Cash at bank and in hand		46,077	31,944	15,302	11,886
		<u>1,233,394</u>	<u>919,100</u>	<u>40,101</u>	<u>36,338</u>
CREDITORS: amounts falling due within one year	15	<u>2,325,151</u>	<u>2,029,803</u>	<u>580,181</u>	<u>511,219</u>
NET CURRENT LIABILITIES		<u>(1,091,757)</u>	<u>(1,110,703)</u>	<u>(540,080)</u>	<u>(474,881)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,950,920</u>	<u>3,090,872</u>	<u>774,920</u>	<u>878,517</u>
CREDITORS: amounts falling due after more than one year	16	3,669,393	2,080,271	312,350	362,282
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	19	36,000	377,000	-	-
		<u>1,245,527</u>	<u>633,601</u>	<u>462,570</u>	<u>516,235</u>
CAPITAL AND RESERVES					
Called up share capital	20	50,002	50,002	50,002	50,002
Profit and loss account	21	1,195,525	583,599	412,568	466,233
		<u>1,245,527</u>	<u>633,601</u>	<u>462,570</u>	<u>516,235</u>

M G Trathen - Director



Timeultra Limited

GROUP STATEMENT OF CASH FLOWS for the year ended 31 December 1995

	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	28(a)	<u>1,030,206</u>	<u>1,538,185</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Dividends paid		(99,167)	(60,000)
Interest paid		(180,797)	(148,736)
Interest element of finance lease rental payments		(240,414)	(205,786)
Interest received		<u>704</u>	<u>-</u>
NET CASH OUTFLOW FROM RETURN ON INVESTMENTS AND SERVICING OF FINANCE		<u>(519,674)</u>	<u>(414,522)</u>
TAXATION			
UK corporation tax paid		<u>(60,747)</u>	<u>(16,776)</u>
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(235,097)	(217,099)
Receipts from sales of tangible fixed assets		<u>638,923</u>	<u>209,459</u>
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		<u>403,826</u>	<u>(7,640)</u>
NET CASH INFLOW BEFORE FINANCING		<u>853,611</u>	<u>1,099,247</u>
FINANCING			
Proceeds from new borrowing	17	(175,000)	-
Repayment of capital element of finance lease rentals	18	870,026	881,268
Repayment of loans	17	<u>319,416</u>	<u>163,736</u>
NET CASH OUTFLOW FROM FINANCING	27(c)	<u>1,014,442</u>	<u>1,045,004</u>
(Decrease)/increase in cash and cash equivalents	27(b)	<u>(160,831)</u>	<u>54,243</u>
		<u>853,611</u>	<u>1,099,247</u>

NOTES TO THE ACCOUNTS
at 31 December 1995

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

The Group accounts include the results of the parent undertaking and its trading subsidiary undertaking for the year ended 31 December 1995. In accordance with the exemptions given by Section 230(3) of the Companies Act 1985, the parent undertaking has not presented its own profit and loss account.

Goodwill

The excess goodwill arising on consolidation over the merger reserve, is amortised through the profit and loss account over the directors' estimate of its useful life.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a reducing balance basis over its expected useful life as follows:

Motor coaches and new buses	10%
Second hand buses	25%
Other motor vehicles	25%
Plant and fixtures	25%
Freehold buildings	2%
Long leasehold buildings	2%

Stocks

Stocks, which comprise spares and consumables, are stated at the lower of cost and net realisable value. In general, cost is determined on a weighted average basis. Provision is made for obsolete, slow moving and defective stocks.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

NOTES TO THE ACCOUNTS

at 31 December 1995

1 ACCOUNTING POLICIES (continued)

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the year of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2 TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, all of which are continuing, stated net of value added tax.

The turnover and pre-tax profit is attributable to one continuing activity, that of an express coach operator and arises wholly in the United Kingdom.

3 OPERATING PROFIT

This is stated after charging:

	1995	1994
	£	£
Auditors' remuneration	12,000	8,500
Depreciation of owned fixed assets	87,994	93,789
Depreciation of assets held under finance leases and hire purchase contracts	314,478	462,974
Amortisation of goodwill arising on consolidation	18,243	53,735
Operating lease rental - land and buildings	12,152	8,625
- other	3,438	10,188
	<u> </u>	<u> </u>

4 PROFIT OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company after taxation is £45,502 (1994: £61,861).

Timeultra Limited

NOTES TO THE ACCOUNTS at 31 December 1995

5 DIRECTORS REMUNERATION

	1995 £	1994 £
Fees	-	10,000
Other emoluments (including pension contributions)	74,395	42,509
	<u>74,395</u>	<u>52,509</u>

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1995 No.	1994 No.
£10,001 - £15,000	-	1
£15,001 - £20,000	1	-
£40,001 - £45,000	-	1
£45,001 - £50,000	1	-
	<u>1</u>	<u>1</u>

The emoluments, excluding pension contributions, of the chairman and highest paid director were £49,441 (1994: £40,689).

6 STAFF COSTS

	1995 £	1994 £
Wages and salaries	1,814,073	1,292,241
Social security costs	153,206	112,313
	<u>1,967,279</u>	<u>1,404,554</u>

The average weekly number of employees during the year was made up as follows:

	1995 £	1994 £
Coach operations	138	128
Administration	19	19
	<u>157</u>	<u>147</u>

Timeultra Limited

NOTES TO THE ACCOUNTS at 31 December 1995

7 INTEREST PAYABLE

	1995 £	1994 £
On amounts repayable within 5 years:		
Bank overdraft	36,429	17,138
Finance charges payable under finance leases	240,414	205,786
Other loans	76,256	74,812
Interest on overdue tax	733	-
On amounts repayable after more than 5 years:		
Mortgages	68,972	56,786
	<u>422,804</u>	<u>354,522</u>

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Based on the profit for the year:		
Corporation tax recoverable (1994 - 33%)	(52,873)	130,000
Deferred taxation (see note 19)	(341,000)	34,000
Adjustment for under/(over) provision in prior year - corporation tax	5,215	(14,693)
	<u>(388,658)</u>	<u>149,307</u>

If full provision had been made for deferred taxation, the taxation charge would have been increased by £677,600 (1994 - £71,000) in respect of capital allowances in advance of depreciation.

9 DIVIDENDS

	1995 £	1994 £
Ordinary - paid	<u>99,167</u>	<u>60,000</u>

Timeultra Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

10 INTANGIBLE FIXED ASSETS

Group

	<i>Goodwill</i> £
Cost:	
At 31 December 1994 and 31 December 1995	161,204
Amortisation:	
At 31 December 1994	142,961
Provided in the year	18,243
At 31 December 1995	161,204
Net book value at 31 December 1995	-
Net book value at 31 December 1994	18,243

11 TANGIBLE FIXED ASSETS

Group

	<i>Freehold property</i> £	<i>Long leasehold property</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:					
At 31 December 1994	1,017,568	123,305	94,917	3,633,127	4,868,917
Additions	-	-	2,250	3,082,675	3,084,925
Disposals	-	-	-	(988,285)	(988,285)
At 31 December 1995	1,017,568	123,305	97,167	5,727,517	6,965,557
Depreciation:					
At 31 December 1994	54,758	3,540	33,997	593,290	685,585
Provided during the year	21,968	3,540	15,748	361,216	402,472
Provision for diminution in value	300,842	-	-	-	300,842
Disposals	-	-	-	(466,019)	(466,019)
At 31 December 1995	377,568	7,080	49,745	488,487	922,880
Net book value at:					
31 December 1995	640,000	116,225	47,422	5,239,030	6,042,677
31 December 1994	962,810	119,765	60,920	3,039,837	4,183,332

The net book value of fixed assets includes an amount of £5,183,608 in respect of assets held under finance leases (1994 -£2,825,526). The depreciation policy in respect of motor coaches and new buses has been revised during the year from 17½% to 10% reducing balance. The depreciation charge for the year would have been increased by £235,704 if the previous policy had been continued.

Timeultra Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

11 TANGIBLE FIXED ASSETS (continued)

The freehold property is subject to a contract for sale to the directors of the company at a value of £640,000 (see note 26).

<i>Company</i>	<i>Freehold Property £</i>
Cost:	
At 31 December 1994 and 31 December 1995	400,000
Depreciation:	
At 31 December 1994	21,602
Provided during the year	7,568
Provision for permanent diminution in value	30,830
At 31 December 1995	60,000
Net book value at:	
31 December 1995	340,000
31 December 1994	378,398

As noted above the property is subject to a contract of sale to the directors of the company at a value of £340,000 (see note 26).

12 INVESTMENTS

<i>Company</i>	<i>Subsidiary Undertaking £</i>
Cost:	
At 31 December 1994 and 31 December 1995	975,000

The wholly owned subsidiary company is Trathens Travel Services Limited, a company incorporated in England. The company is an express coach operator.

Timeultra Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

13 STOCKS

	1995	Group 1994	1995	Company 1994
	£	£	£	£
Spares and consumables (see note 26)	100,000	170,385	-	-
Final stocks	11,234	15,310	-	-
	<u>111,234</u>	<u>185,695</u>	<u>-</u>	<u>-</u>

The stock of spares and consumables has been purchased by the directors at a cost of £100,000 since the year end (see note 26).

14 DEBTORS

	1995	Group 1994	1995	Company 1994
	£	£	£	£
Trade debtors	459,093	487,914	-	-
Other debtors	494,990	97,345	24,799	24,452
Prepayments and accrued income	122,000	116,202	-	-
	<u>1,076,083</u>	<u>701,461</u>	<u>24,799</u>	<u>24,452</u>

15 CREDITORS: amounts falling due within one year

	1995	Group 1994	1995	Company 1994
	£	£	£	£
Bank loans and overdraft	361,145	186,181	-	-
Other loans	97,602	138,875	53,122	89,509
Obligations under finance leases and hire purchase contracts	853,009	909,140	-	-
Trade creditors	328,352	447,981	-	-
Amounts owed to subsidiary undertaking	-	-	500,901	376,348
Corporation tax	88,346	135,680	3,999	19,775
Other taxes and social security costs	74,799	35,742	8,566	5,359
Other creditors and accruals	521,898	176,204	13,593	20,228
	<u>2,325,151</u>	<u>2,029,803</u>	<u>580,181</u>	<u>511,219</u>

The bank overdraft is secured by a debenture dated 31 March 1992 (amended by deed of priority dated 26 August 1994) creating a fixed and floating charge over the undertaking and property both present and future, of the group and a second mortgage over certain of the group's freehold property. A chattel mortgage dated 27 August 1994 ranks in priority to the bank security over the assets of Trathens Travel Services Limited.

Timeultra Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

16 CREDITORS: amounts falling due after more than one year

	1995	Group 1994	1995	Company 1994
	£	£	£	£
Other loans	148,524	374,944	83,069	126,983
Obligations under finance leases and hire purchase contracts	2,787,293	1,095,028	-	-
Mortgages	733,576	610,299	229,281	235,299
	<u>3,669,393</u>	<u>2,080,271</u>	<u>312,350</u>	<u>362,282</u>

17 LOANS

	1995	Group 1994	1995	Company 1994
	£	£	£	£
Wholly repayable within five years				
Other loans	192,439	304,495	126,984	206,492
Not wholly repayable within five years				
Mortgage at 2.25% over base rate repayable in monthly instalments	238,488	245,299	238,488	245,299
Mortgage at 1.25% over base rate repayable in 2014	375,000	375,000	-	-
Other loans at 15.50% per annum repayable in monthly instalments	-	199,324	-	-
Mortgage 3.5% over bank base rate repayable in monthly instalments	173,775	-	-	-
	<u>979,702</u>	<u>1,124,118</u>	<u>365,472</u>	<u>451,791</u>
Amounts repayable by instalments:				
Within five years	278,300	454,358	174,349	206,492
After five years	326,402	294,760	191,123	245,299
	<u>604,702</u>	<u>749,118</u>	<u>365,472</u>	<u>451,791</u>
Amounts repayable after five years other than by instalments	375,000	375,000	-	-
	<u>979,702</u>	<u>1,124,118</u>	<u>365,472</u>	<u>451,791</u>
Included in creditors amounts falling due within one year	97,602	138,875	53,122	89,509
	<u>882,100</u>	<u>985,243</u>	<u>312,350</u>	<u>362,282</u>

The mortgages are secured by a fixed charge over certain of the company's freehold property and a floating charge over the remainder of the assets of the company.

Timeultra Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

17 LOANS (continued)

Other loans carrying interest at a rate of 15.5% per annum have been refinanced during the year and replaced by a mortgage carrying interest at a rate of 3.5% over the bank base rate.

Analysis of changes in loan financing during the current and previous years:

	1995	Group 1994	1995	Company 1994
	£	£	£	£
At 1 January 1995	1,124,118	1,287,854	451,791	574,118
New loans	175,000	-	-	-
Repayments	(319,416)	(163,736)	(86,319)	(122,327)
At 31 December 1995	<u>979,702</u>	<u>1,124,118</u>	<u>365,472</u>	<u>451,791</u>

18 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1995	Group 1994	1995	Company 1994
	£	£	£	£
Amounts payable:				
Within one year	1,095,825	1,050,461	-	-
Within two to five years	3,095,882	1,239,862	-	-
	<u>4,191,707</u>	<u>2,290,323</u>	<u>-</u>	<u>-</u>
Less: Finance charges allocated to future periods	(551,405)	(286,155)	-	-
	<u>3,640,302</u>	<u>2,004,168</u>	<u>-</u>	<u>-</u>
Finance leases and hire purchase contracts are analysed as follows:				
Current obligations	853,009	909,140	-	-
Non-current obligations	2,787,293	1,095,028	-	-
	<u>3,640,302</u>	<u>2,004,168</u>	<u>-</u>	<u>-</u>

Timeultra Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

18 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS (continued)

Analyses of changes in finance leases and hire purchase contracts during the current and previous years:

	<i>Group</i>		<i>Company</i>	
	<i>1995</i>	<i>1994</i>	<i>1995</i>	<i>1994</i>
	£	£	£	£
At 1 January 1995	2,004,168	2,080,651	-	-
Inception of new contracts	2,506,160	804,785	-	-
Capital element of repayments	(870,026)	(881,268)	-	-
At 31 December 1995	<u>3,640,302</u>	<u>2,004,168</u>	<u>-</u>	<u>-</u>

19 DEFERRED TAXATION

The movements in deferred taxation during the current and previous years were as follows:

	<i>1995</i>	<i>1994</i>
	£	£
At 1 January 1995	377,000	343,000
Charge for the year	-	34,000
Released during the year	(341,000)	-
At 31 December 1995	<u>36,000</u>	<u>377,000</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	<i>Provided</i>		<i>Not provided</i>	
	<i>1995</i>	<i>1994</i>	<i>1995</i>	<i>1994</i>
<i>Group</i>	£	£	£	£
Capital allowances in advance of depreciation	<u>36,000</u>	<u>377,000</u>	<u>677,600</u>	<u>71,000</u>

20 SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1995</i>	<i>1994</i>	<i>1995</i>	<i>1994</i>
	£	£	£	£
Equity interests:-				
"A" Ordinary shares of £1 each	14,501	14,501	14,501	14,501
"B" Ordinary shares of £1 each	85,499	85,499	35,501	35,501
	<u>100,000</u>	<u>100,000</u>	<u>50,002</u>	<u>50,002</u>

The 'A' Ordinary shares were repurchased by the company on 28 May 1996 at a cost of £700,000, (see note 26).

Timeultra Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

21 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	<i>Share Capital £</i>	<i>Profit and Loss Account £</i>	<i>Total £</i>
At 31 December 1993	50,002	342,925	392,927
Profit for the financial period	-	300,674	300,674
Dividend	-	(60,000)	(60,000)
At 1 January 1995	50,002	583,599	633,601
Profit for the financial period	-	711,093	711,093
Dividend	-	(99,167)	(99,167)
At 31 December 1995	50,002	1,195,525	1,245,527

<i>Company</i>	<i>Share Capital £</i>	<i>Profit and Loss Account £</i>	<i>Total £</i>
At 31 December 1993	50,002	464,372	514,374
Profit for the financial period	-	61,861	61,861
Dividend	-	(60,000)	(60,000)
At 1 January 1995	50,002	466,233	516,235
Profit for the financial period	-	45,502	45,502
Dividend	-	(99,167)	(99,167)
At 31 December 1995	50,002	412,568	462,570

22 CAPITAL COMMITMENTS

	<i>1995 £</i>	<i>Group 1994 £</i>	<i>1995 £</i>	<i>Company 1994 £</i>
Contracted	224,270	2,022,600	-	-

Timeultra Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

23 OTHER FINANCIAL COMMITMENTS

Annual commitments under con-cancellable operating leases are as follows:

Group	<i>Land and buildings</i>		<i>Other</i>	
	1995	1994	1995	1994
	£	£	£	£
Operating leases which expires:				
Within one year	-	-	-	2,250
Two to five years	-	-	1,188	1,188
In over five years	12,000	12,000	-	-
	<u>12,000</u>	<u>12,000</u>	<u>1,188</u>	<u>3,438</u>

During the year the company has entered into a number of contract maintenance agreements with respect to certain of its coaches. These contracts have a duration of five years.

The above contracts allow for an agreed mileage of 175,000 miles for each coach. Any excess above this mileage attracts an additional charge. The annual commitment as at 31 December 1995 amounted to £119,303.

24 CONTINGENT LIABILITIES

- (a) A chattel mortgage dated 21 March 1992 was granted to Mr A T Lavin over four of the subsidiary undertaking's coaches to secure the repayment obligations of the Company contained in a loan agreement between the Company and Mr A T Lavin dated 31 March 1994.
- (b) The subsidiary undertaking entered into a guarantee with Mr A T Lavin whereby it guarantees the payments to be made by the Company under the loan agreement referred to in (a) above.
- (c) A deed of guarantee dated 27 July 1994 was made to Mr A T Lavin whereby the company guarantees it will pay to Mr Lavin on demand all monies and discharge all liabilities now and hereafter due, owing or incurred by Trathens Travel Service Limited.

25 ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Square Wheels Limited, a company registered in England.

NOTES TO THE ACCOUNTS

at 31 December 1995

26 POST BALANCE SHEET EVENT

On 28 May 1996 the entire 'A' Ordinary Share capital was repurchased by the company at a cost of £700,000. In addition the ultimate parent company, Square Wheels Limited, sold its 100% holding of the 'B' Ordinary Shares to Parks of Hamilton (Holdings) Limited.

As part of the sale agreement the directors acquired, on 28 May 1996, the entire freehold property of the group at a value of £640,000. Included within this amount was £340,000 in respect of the freehold property held by Timeultra Limited. A provision has been included within the accounts to reduce the carrying values of the freehold properties as at 31 December 1995 to the value of the consideration. There were no significant changes in the condition or valuation of the properties between the balance sheet date and the date of sale.

The directors have also acquired the entire stock of spares and consumables as at 28 May 1996 at a value of £100,000. A provision has been included in the accounts to reduce the carrying value of this stock at the balance sheet date to the amount of the consideration. There was no material change in the quantities, condition or value of the stock between the balance sheet date and the date of sale.

27 TRANSACTIONS WITH DIRECTORS

Included with other debtors (see note 14) is an amount of £12,800 in respect of a loan to DJ Trathen. The highest balance outstanding during the year was £70,000.

Also included within other debtors is an amount of £153,258 in respect of an option fee paid to DJ Trathen which gave the company the right to purchase certain freehold property owned by DJ Trathen at a market valuation. This includes interest accrued from the date of advance at a rate of 2½% above the bank base rate. The option lapsed on 25th February 1996 and the option fee together with accrued interest was repaid to the company on 28 May 1996.

Timeultra Limited

NOTES TO THE ACCOUNTS at 31 December 1995

28 NOTES TO THE GROUP STATEMENT OF CASHFLOWS

	1995 £	1994 £
(a) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	925,462	758,820
Depreciation	402,472	556,763
Amortisation of goodwill arising on consolidation	18,243	53,735
(Increase)/decrease in operating debtors and prepayments	(304,961)	17,071
Decrease/(increase) in stocks	74,461	(5,555)
(Decrease)/increase in operating creditors and accruals	(85,471)	157,351
	<u>1,030,206</u>	<u>1,538,185</u>
(b) Analysis of changes in cash and cash equivalents	£	£
Balance at 31 December 1994	(154,237)	(208,480)
Net cash (outflow)/inflow	(160,831)	54,243
Balance at 31 December 1995	<u>(315,068)</u>	<u>(154,237)</u>
Cash at bank and in hand	46,077	31,944
Bank overdraft	(361,145)	(186,181)
	<u>(315,068)</u>	<u>(154,237)</u>
(c) Analysis of changes in financing during the year		<i>Loans and finance lease obligations</i> £
Balance at 31 December 1994		3,128,286
Inception of finance leases and hire purchase contracts		2,506,160
Net cash outflows from financing		<u>(1,014,442)</u>
Balance at 31 December 1995		<u>4,620,004</u>