

LOCHS & GLENS (TRANSPORT) LIMITED

Company No: SC 161833

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**



GARTOCHARN, ALEXANDRIA, DUNBARTONSHIRE G83 8SB

**Report of the Directors
For the Year ended 31 March 2003**

The directors present their report and audited financial statements for the year ended 31 March 2003.

Principal Activity

The principal activity of the company is a supplier of tour transport.

Review of the Business

The directors consider the profit achieved in the year to be satisfactory.

Future Prospects

The directors are confident that the company can continue to earn satisfactory profits in the future.

Fixed Assets

The company purchased five new coaches in the year and sold three.

Directors and Their Interests

The directors who served during the year are listed below together with their interest in the ordinary shares of the company.

	31 March 2003	31 March 2002
N S Wells	4	4
I M Wells	4	4
M F Wells	2	2

Post Balance Sheet Events

On 1 April 2003 the company purchased from Mr MF Wells two ordinary shares of £1 fully paid for a consideration of £250,000.

Auditors

The auditors, James Anderson & Co C.A., have indicated their willingness to continue in office and a resolution proposing their re-appointment will be put to the annual general meeting.

On Behalf of the Board

**N Wells
Director**

5 January 2004

Statement of 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 those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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.

On Behalf of the Board



**N Wells
Director**

5 January 2004

We have audited the financial statements of Lochs & Glens (Transport) Limited for the year ended 31 March 2003 on pages 5 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom 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 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 (Continued/....)

Opinion (Continued/..)

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

James Anderson & Co

James Anderson & Co
Chartered Accountants
Pentland Estate
LOANHEAD
EH20 9QH

5 January 2004

Registered Auditors

Profit and Loss Account
For the Year ended 31 March 2003

	Notes	2003 £	2002 £
Turnover	2	4,452,111	3,985,778
Cost of sales		<u>2,421,934</u>	<u>2,136,965</u>
Gross Profit		2,030,177	1,848,813
Administrative expenses		<u>1,620,468</u>	<u>1,521,436</u>
Operating Profit	3	409,709	327,377
Interest receivable		<u>1,078</u>	<u>4,879</u>
Profit Before Taxation		410,787	332,256
Taxation	5	<u>46,872</u>	<u>56,503</u>
Profit for the Year		<u>363,915</u>	<u>275,753</u>
Statement of Retained Profits			
Profit and loss account brought forward		1,240,165	964,412
Profit for the year		<u>363,915</u>	<u>275,753</u>
Profit and loss account carried forward		<u>1,604,080</u>	<u>1,240,165</u>

The results set out in the profit and loss account above derive wholly from the continuing operations of the company.

The company has no recognised gains or losses other than those shown in the profit and loss account above.



Reconciliation of Movement In Shareholders Funds
For the Year ended 31 March 2003

	2003 £	2002 £
Opening shareholders funds	1,240,175	964,422
Retained profit for the year	<u>363,915</u>	<u>275,753</u>
Closing shareholders funds	<u>1,604,090</u>	<u>1,240,175</u>

Balance Sheet
As at 31 March 2003

	Notes	2003 £	2002 £
Fixed Assets			
Tangible assets	6	2,336,875	2,000,649
Current Assets			
Debtors	7	95,168	135,228
Bank & cash		132,562	3,410
		227,730	138,638
Creditors			
Amounts falling due within one year	8	121,329	536,090
Net Current Assets/(Liabilities)		106,401	(397,452)
Total Assets Less Current Liabilities		2,443,276	1,603,197
Creditors			
Amounts falling due outwith one year	9	575,708	119,441
		1,867,568	1,483,756
Provisions for Liabilities and Charges	10	263,478	243,581
		1,604,090	1,240,175
Capital and Reserves			
Called up share capital	11	10	10
Profit and loss account		1,604,080	1,240,165
Shareholders Funds		1,604,090	1,240,175

The financial statements on pages 5 to 14 were approved and signed on behalf of the board of directors on 5 January 2004

 N Wells
 I Wells

Director

Director

Cash Flow Statement
For the Year ended 31 March 2003

Reconciliation of operating
Profit to net cash inflow from operations

	2003	2002
	£	£
Operating profit	409,709	327,377
Depreciation charges	236,174	227,119
Decrease in debtors	40,060	270,350
Increase/(decrease) in creditors	19,023	(30,765)
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Net cash inflow from operating activities	704,966	794,081
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CASH FLOW STATEMENT

Net cash inflow from operating activities	704,966	794,081
Returns on investments and		
Servicing of finance (Note 1)	1,078	4,879
Taxation	(21,833)	(11,934)
Capital expenditure (Note 1)	(572,400)	(466,475)
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	111,811	320,551
Financing (Note 1)	456,267	(602,000)
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Increase/(decrease) in cash	568,078	(281,449)
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Reconciliation of net cash flow to
Movement in net funds (Note 2)

Increase/(decrease) in cash in period	568,078	(281,449)
(Payment)/repayment of intercompany loan	(456,267)	602,000
	<hr/>	<hr/>
Changes in net funds	111,811	320,551
Net funds at 31 March 2002	(554,957)	(875,508)
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Net funds at 31 March 2003	(443,146)	(554,957)
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Notes to the Cash Flow Statement
For the Year ended 31 March 2003

1. Gross Cash Flows	2003 £	2002 £
Returns on investments and Servicing of finance		
Interest received	1,078	4,879
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Capital Expenditure		
Payments to acquire tangible fixed assets	(941,400)	(946,475)
Receipts from sales of tangible fixed assets	369,000	480,000
	<hr/>	<hr/>
	(572,400)	(466,475)
	<hr/>	<hr/>
Financing		
Intercompany loan	456,267	(602,000)
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2. Analysis of changes in net funds

	Balance 1.04.02	Cash Flows	Other Changes	Balance 31.03.03
Cash at bank and In hand	(435,516)	568,078	-	132,562
Debt due within one year	-	-	-	-
Debt due after more than one year	(119,441)	(456,267)	-	(575,708)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(554,957)	111,811	-	(443,146)
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements
For the year ended 31 March 2003

1. Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis of accounting.

(b) Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives on the undernoted basis.

Coaches	8% straight line
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(c) Leasing and Hire Purchase Commitments

Assets obtained 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 profit and loss account over the period 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.

(d) Deferred Tax

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities and is stated net of value added tax.

Turnover is attributable to one continuing activity – supplier of tour transport.

3. Operating Profit	2003	2002
This is stated after charging	£	£
Auditors remuneration	2,940	2,800
Depreciation – owned assets	236,174	227,119
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Notes to the Financial Statements (Continued)

4. Staff Costs	2003	2002
Average monthly number of employees	No	No
Working directors	3	3
Coach drivers	32	26
	—	—
	35	29
	—	—
Staff costs were as follows	£	£
Wages & salaries	340,882	274,044
Social security costs	22,737	18,276
	—	—
	363,619	292,320
	—	—

5. Taxation

Corporation tax current year at 19% (2002 – 20%)	26,974	21,833
Transferred to deferred taxation	19,898	34,670
	—	—
	46,872	56,503
	—	—

The tax assessed for the year is lower than the standard rate of UK taxation applicable to the company 19% (2002 – 20%). The differences are explained below:

Profit on ordinary activities before tax	410,787	332,256
	—	—
Profit on ordinary activities multiplied by small company rate of corporation tax in the UK of 19% (2002 – 20%)	78,050	66,451
Timing differences between depreciation and Capital allowances	(51,076)	(44,618)
	—	—
Current tax charge for the Year	26,974	21,833
	—	—

Notes to the Financial Statements (Continued)

6. Tangible Fixed Assets

	Coaches £
Cost	
At 31 March 2002	2,217,948
Additions	941,400
Disposals	(552,585)
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At 31 March 2003	2,606,763
	<hr/>
Depreciation	
At 31 March 2002	217,299
Charge for the year	236,174
Depreciation on disposals	(183,585)
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At 31 March 2003	269,888
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Net Book Value	
At 31 March 2003	2,336,875
At 31 March 2002	2,000,649
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Notes to the Financial Statements (Continued)

7. Debtors	2003 £	2002 £
Trade debtors	54,069	99,161
Other debtors	41,099	36,067
	<u>95,168</u>	<u>135,228</u>
8. Creditors Amounts falling due within one year		
Bank overdraft	-	438,926
Trade creditors	13,824	22,022
Corporation tax	26,974	21,833
Other taxation & social security costs	14,545	6,995
Accruals	65,986	46,314
	<u>121,329</u>	<u>536,090</u>
9. Creditors Amounts falling due outwith one year		
Other creditors	<u>575,708</u>	<u>119,441</u>
10. Deferred Taxation		
Balance 31 March 2002	243,581	208,911
Transfer for the year	<u>19,898</u>	<u>34,670</u>
Balance 31 March 2003	<u>263,479</u>	<u>243,581</u>

Deferred taxation is fully provided at the current rate of corporation tax on the excess of the net book value of those assets qualifying for taxation allowances over their written down values for taxation purposes.

Notes to the Financial Statements (Continued)

11. Called Up Share Capital	2003 £	2002 £
Authorised 1000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 10 Ordinary shares of £1 each	10	10
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12. Related Party Transactions

The following related party transactions took place during the year:

With M F Wells (Hotels) Limited, a company under the control of Mr M F Wells (director).

	£	£
Tour income	4,444,682	3,985,778
Management charge	1,600,000	1,500,000
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